



APEC Business Advisory Council

PEOPLE BUSINESS PROSPERITY

Report to APEC Economic Leaders
Peru 2024

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

Report to APEC Economic Leaders



APEC Business Advisory Council



APEC Business Advisory Council



Her Excellency Dina Boluarte

Chair, Asia-Pacific Economic Cooperation
President, Republic of Peru
Lima, Peru

Your Excellency:

The global economy is experiencing a slow and steady recovery but continues to face challenges, including persistent inflation, significant disparities in economic growth, rising interest rates, and a critical need to boost investments for a green and climate-resilient future. Protectionism, unilateralism, and fragmentation are increasing. Decisive actions are needed to ensure robust growth in the APEC region and the achievement of the APEC Putrajaya Vision 2040. It is accordingly our honor to present recommendations that would help unlock this growth for People, Business and Prosperity.

Enabling people and access to opportunities for all

Inclusive and resilient growth can only be achieved if micro-, small and medium-sized enterprises (MSMEs), including those led by women and Indigenous entrepreneurs, are able to participate equitably in the economy. APEC policymakers have a pivotal role in designing good policy and in supporting tailored, evidence-based capability building. Two areas should be prioritized: interoperable digitalization, as a key tool both in the transition to the formal economy and in creating opportunities for MSMEs in global value chains; and improving access to financing, including women's access to venture capital. These priorities demand both policy and regulatory solutions and, with respect to financial inclusion, working closely with the private sector to tackle biases in lending practices and more effectively harnessing digital financial services.

Enabling business through a seamless commercial environment built on strong foundations

Equity and prosperity can only be achieved if the architecture of economic integration is fit for purpose. APEC's efforts to realize the Free Trade Area of the Asia-Pacific (FTAAP) should build both from the top down – with high-quality, well-utilized and enforceable trade agreements – and from the bottom up, with practical initiatives that make an immediate and meaningful difference to business. One such initiative is paperless trade, which can improve supply chain transparency, agility and cost, and for which APEC should support interoperable digital trade infrastructure and regulatory processes.

In turn, FTAAP must build on a strengthened World Trade Organization (WTO). APEC should provide resolute collective leadership to ensure that the WTO remains relevant and effective, *inter alia*, by championing a fully functioning dispute settlement system and joining, ratifying and advocating for the integration of the new E-Commerce Agreement into the WTO rulebook, including the commitment it includes to reject tariffs on digital goods and services.



Coherent approaches to digital trade and the responsible governance of artificial intelligence (AI) are also critical. An interoperable regulatory environment for trusted and open data flows, cybersecurity and innovation, will boost digital trade, including digitally-delivered services. Support for collaborative, multistakeholder development of good governance frameworks for responsible and inclusive AI, including through trade agreements, coupled with skills development, capacity building and structural reforms, will help safeguard against risks while maximizing the benefits, especially for workers and industries impacted by AI. We need to work together to address the digital divide, and ensure that new technologies, such as AI, help current and future generations to realize their full potential and unleash new opportunities.

Maintaining the openness, and enhancing the depth, efficiency, stability, connectivity, and resilience of supply chains, will be crucial for promoting trade and investment in the Asia-Pacific region. APEC should reaffirm its commitments to transparent and non-discriminatory policymaking and consult more effectively with business. To foster a transparent, efficient and investment-friendly business climate, it will be essential to prioritize the implementation of investment facilitation measures in our region, and champion the integration of the WTO's Investment Facilitation for Development initiative into the WTO rulebook. APEC can play a leadership role in developing a comprehensive roadmap for a renewed Investment Facilitation agenda in response to the evolving global environment.

Enabling prosperity through urgent action for sustainable and resilient growth

The world has now experienced over 12 consecutive months of temperatures greater than 1.5 degrees above pre-industrial levels. The climate crisis demands urgent collective action, including to accelerate just, ambitious and realistic energy transitions and to strengthen protection against natural disasters, pandemics and climate risks. Public-private collaboration is needed to unlock and scale up financing, address currency risks, and enable cross-border trading of voluntary carbon credits. Harmonization of sustainability reporting requirements would help businesses reach globally supported climate goals. APEC should also give impetus to the development and deployment of critical trade and technology tools, including through a new Greener Trade Framework.

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

Yours sincerely,



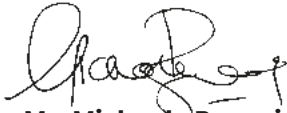
Mrs. Julia Torreblanca
ABAC Chair
VP of Corporate Affairs
Sociedad Minera Cerro Verde



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



Mr. Hyun-sang Cho
ABAC Co-Chair
Vice Chairman
HS Hyosung Corporation

AUSTRALIA


Ms. Michaela Browning
Partner and CEO Asia Pacific
Brunswick Group



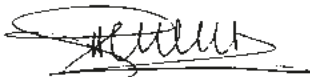
Ms. Gabrielle Costigan
Group Managing Director
Business Development
BAE Systems



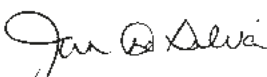
Mr. Tom Harley
Chair, Human Development
Working Group
Managing Director
Dragoman Pty. Ltd.

BRUNEI DARUSSALAM


**Pg Aki Ismasufian Pg Hj
Ibrahim**
Chief Executive Officer
Standard Chartered Bank



Mr. Hafriz Fayadh Musa
Managing Director
Exceltech Solutions Sdn Bhd

CANADA


Ms. Janet De Silva
Chair, Digital and Innovation
Task Force
Canada Co-Chair
Canada-ASEAN Business
Council



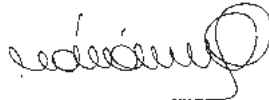
Mr. Joseph Fung
Managing Partner
Saltagen Ventures

CHILE


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



Mr. Cristian Lefevre
Market Segment Leader and
President
EY Chile



Ms. Mónica Retamal
Executive Director
Kodea Foundation

CHINA


Mr. Hu Houkun
Deputy Chairman, Huawei
Board of Directors and
Rotating Chairman
Huawei Technologies Co., Ltd.



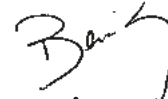
Mr. Frank Gaoning Ning
Chair, Sustainability Working
Group
Chairman of the Board
Sinochem Holdings Ltd.



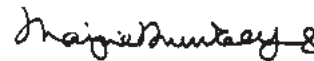
Mr. Zhang Shaogang
Vice Chairman
China Council for the Promotion
of International Trade

HONG KONG, CHINA


Ms. Mary Huen
Chief Executive Officer
Hong Kong and Greater China
& North Asia
Standard Chartered Bank
(Hong Kong) Limited



Ms. Nisa Leung
Managing Partner
Qiming Venture Partners



Ms. Marjorie Yang
Chairman
Esquel Group

INDONESIA


Mr. Anindya Bakrie
Chief Executive Officer
PT Bakrie Global Ventura



Ms. Shinta Kamdani
Owner and CEO
Sintesa Group





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

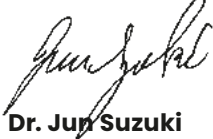
JAPAN



Mr. Fumiya Kokubu
Chairman of the Board
Marubeni Corporation

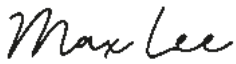


Mr. Hiroshi Nakaso
Chair, Finance and Investment
Task Force
Chairman of the Institute
Daiwa Institute of Research Ltd.

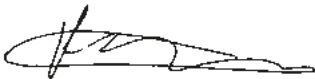


Dr. Jun Suzuki
Senior Advisor
Teijin Limited

REPUBLIC OF KOREA



Mr. Joowan Lee
Chief Executive Officer
Megazone Cloud Corporation



Mr. Kyu Ho Lee
Chief Executive Officer
Kolon Corporation

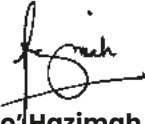
MALAYSIA



Datuk Ruben Emir Gnanalingam
Group Managing Director
Westports Holdings Berhad



Mr. Yeoh Keong Hann
Executive Director
YTL Power International Berhad

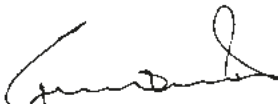


Dato' Hazimah Zainuddin
Group Executive Chairman
Hyrax Oil Sdn Bhd

MEXICO



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

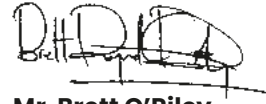


Mr. Guillermo Miller
Vice President for
International Affairs
Mexican Chemical
Manufacturers Association
(ANIQ)

NEW ZEALAND



Ms. Anna Curzon
Independent Director
Kiwibank



Mr. Brett O'Riley
Managing Director
OCGL



Ms. Rachel Taulelei
Chair, Regional Economic
Integration Working Group
Co-Founder
Oho

PAPUA NEW GUINEA



Mr. James Gore
Managing Partner
Gore Consulting

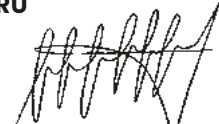


Mr. Isikeli Taureka
Chief Executive Officer
Laba Holdings Limited

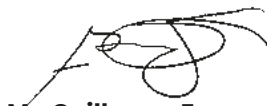


Mr. Chey Scovell
Chief Executive Officer
Manufacturers Council of PNG

PERU



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



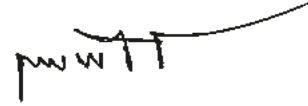
Mr. Guillermo Ferreyros
Chief Executive Officer
Savia Peru

PHILIPPINES

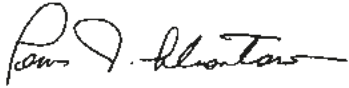

Mr. Sabin M. Aboitiz
President and CEO
Aboitiz Equity Ventures, Inc.



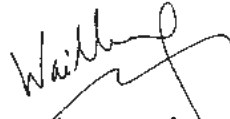
Mr. Kok Ping Soon
Chief Executive Officer
Singapore Business
Federation



Mr. Kriengkrai Thiennukul
Chairman
The Federation of Thai Industries



Mr. Tomas Alcantara
Director
Alsons Consolidated Resources,
Inc.



Mr. Wong Wai Meng
Chairman
SGTech

USA

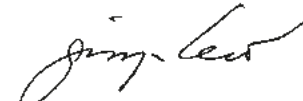

Ms. Laura Lane
Executive Vice President and
Chief Corporate Affairs Officer
UPS



Ms. Joanne de Asis
Chairperson
Globe Capital Partners LLC

CHINESE TAIPEI

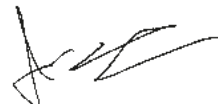

Dr. Ted Chang
Chief Technology Officer
Quanta Computer



Ms. Ginger Lew
Senior Policy Advisor
I Squared Capital

RUSSIAN FEDERATION


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



Mr. Jason Chen
Chairman and CEO
Acer Inc.

VIET NAM


Mr. Dang Thanh Tam
Chairman
Saigon Invest Group



Mr. Kirill Dmitriev
Chief Executive Officer
Russian Direct Investment Fund



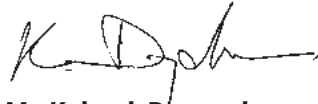
Mr. Jamie C. Lin
President
Taiwan Mobile



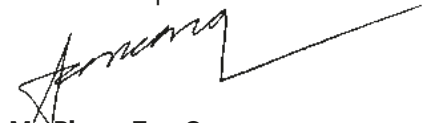
Dr. Nguyen Thanh Hung
Founder and Chairman
Sovico Group



Mr. Andrey L. Kostin
Chairman and CEO
VTB Bank PJSC

THAILAND


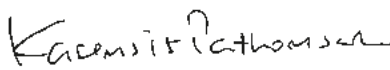
Mr. Kobsak Duangdee
Secretary General
Thai Bankers Association



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

SINGAPORE


Ms. Elaine Lam
Group Managing Director
Head of Global Corporate
Banking
OCBC



Mr. Kasemsit Pathomsak
Vice Chair
Thai Chamber of Commerce
and Board of Trade of
Thailand



Executive Summary

Executive Summary

The following is a summary of the recommendations contained in this report:

Regional Economic Integration

Building the Free Trade Area of the Asia-Pacific. The Free Trade Area of the Asia-Pacific (FTAAP) is the best way to unlock the full potential of the region, by countering fragmentation and creating new opportunities for all. ABAC calls on APEC to build FTAAP from the top down through high-quality trade agreements and innovative recent sectoral initiatives on digital trade, sustainability and inclusion. In parallel, APEC should build FTAAP incrementally from the bottom up through specific deliverables that would benefit businesses and communities in the shorter term, including region-wide adoption of paperless trade, a New Services Agenda to boost trade in digitally-deliverable services, a Greener Trade Framework, policies for resilient supply chains and improved access to venture capital for women.

Championing a strong and relevant World Trade Organization. APEC should show leadership in strengthening and updating the World Trade Organization (WTO), including through the reinstatement of a fully functioning dispute settlement system this year, and outcomes identified in ABAC's 2024 Statement on the WTO, including a permanent WTO E-Commerce Moratorium and championing plurilateral initiatives. ABAC urges APEC to welcome the new E-Commerce Agreement, and support its ratification, integration into the WTO rulebook, and expansion.

Promoting women entrepreneurs' access to venture capital financing. Women entrepreneurs face substantial disadvantage in accessing venture capital for their businesses, but more equitable access would reap substantial economic benefits for the region. ABAC urges APEC economies to establish programs that support women-led enterprises' access to venture capital financing and foster an environment conducive to women's engagement in trade and entrepreneurship, addressing in-built biases in lending practices, and leveraging women's untapped economic potential through the creation of a level playing field for all.

Supporting open, stable and resilient supply chains. Maintaining the openness, and enhancing the depth, efficiency, stability, connectivity, and resilience of supply chains, are crucial for promoting trade and investment in the Asia-Pacific region. ABAC encourages APEC economies to seek to examine, and where necessary, establish principles governing supply chain measures so that they have the least trade and investment-distorting impact. Business can offer important insights into this work and should be engaged in any relevant policy discussions.

Advancing coherent digital trade and a New Services Agenda. ABAC calls on APEC to pursue interoperability in digital trade policies, regulations and standards, and through trade agreements, giving priority to the areas of the greatest importance to business, including trusted and secure data flows, e-payments and digital trade facilitation. APEC should also establish a "New Services Agenda" that would seek to remove barriers to trade in digitally-delivered services, pursue regulatory coherence and facilitation in such trade, and build capacity, particularly for groups with untapped economic potential, including micro-, small and medium-sized enterprises (MSMEs), women and Indigenous entrepreneurs.

Supporting good governance of artificial intelligence through trade rules. The world is currently grappling with the need to establish appropriate governance guardrails around the responsible and inclusive development and use of artificial intelligence (AI) which encourages development and innovation of all

economies, while mitigating the possibilities for misuse. This requires effective, collaborative, cross-border governance solutions, including voluntary international cooperation initiatives and domestic models, and with existing and new trade and digital economy agreements also playing a pivotal role. There is a need to build an appropriate and coherent regulatory environment and to find a regulatory balance between protection and potential, with the participation of the private sector.

Accelerating the adoption of paperless trade. Global trade of physical goods remains largely paper-based and process intensive, with up to 4 billion paper documents circulating at any one time.¹ Fewer than 1% of trade documents are fully digitalized. Despite its clear benefits, there has been slow uptake of digital trade solutions, particularly by MSMEs. ABAC calls on APEC to prioritize universal adoption of paperless trade, including through the legal recognition of documents in line with the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Transferable Records (MLETR), promotion of broader industry adoption with accessible digital infrastructure, and the development of enabling digital ecosystems (including with fiscal incentives and capacity building, where needed).

Building interoperable deep-tier digital supply chain finance platforms. End-to-end digitalization of trade financing has great potential to enable MSMEs to gain access to working capital and benefit from global trade. ABAC highlights the importance of prioritizing the standardization of trade documents, coordination of regulatory and legal frameworks to ensure interoperability across jurisdictions, and strong participation from key stakeholders to pave the way for wider adoption. It is also important to develop the digital infrastructure for deep-tier supply chain finance to enable the benefits from end-to-end digitalization of trade to cascade down the layers of domestic supply chains to micro- and smaller suppliers.

Creating an enabling investment environment through investment facilitation and business mobility. Investment facilitation is crucial amid rising barriers. To foster a transparent, efficient and investment-friendly business climate, it will be essential to prioritize the implementation of investment facilitation measures and support the integration of the WTO's Investment Facilitation for Development Agreement. APEC should develop a comprehensive roadmap for a renewed Investment Facilitation agenda in response to the evolving global environment. Additionally, APEC should address key challenges faced by APEC Business Travel Card (ABTC) cardholders and improve the ABTC scheme, which serves as a tangible tool for facilitating business mobility and investment across the APEC region.

Modernizing tax systems in the era of the digital economy. As virtual transactions rise, tax administrations face revenue collection challenges. Implementing international mechanisms, like the Organization for Economic Cooperation and Development (OECD)'s Base Erosion and Profit Shifting (BEPS) initiative, pose compliance and data management difficulties for multinational enterprises (MNEs). APEC economies should develop consistent compliance and reporting requirements that align with a common approach to digital tax administration without overburdening enterprises. Additionally, economies should follow a collaborative approach, focus on strengthening data security and privacy within their tax systems, and adhere to global best practices to foster tax transparency and cooperative compliance.

Human Development

Mobilizing pension funds for growth. Pension funds manage large amounts of capital that can be mobilized to finance growth. However, enabling them to expand and diversify investment in private markets (including real estate, infrastructure, private equity and private debt) and small- and mid-cap companies will require addressing obstacles arising from various supply- and demand-side factors. APEC economies should consider implementing policy reforms, capacity building measures and innovative approaches to enable pension funds to invest in a wider range of assets and enterprises.

¹ <https://iccwbo.org/news-publications/policies-reports/standards-toolkit-for-cross-border-paperless-trade/#anchor-download>



Facilitating data sharing in digital health. There are significant economic and social benefits to health data sharing rather than maintaining siloed health data. Health data sharing, however, raises important policy issues, including data quality, privacy, inconsistent standards, overly restrictive or non-harmonized regulations, lack of ethical considerations, and insufficient governance and financing for implementation of change. ABAC urges APEC economies to form official health data sharing offices, right-size health data sharing investments in domestic strategies, harmonize governance of opt out models, align on a common technical standard for data formats and aim higher for centralized, accessible, and usable repositories.

Addressing the implications of artificial intelligence for workers and skills development. It will be critical that APEC economies develop strategies to harness the positive impact of AI for industries and economies, while addressing potential risks for workers. AI promises long term productivity gains; however, there is uncertainty about whether AI will help address or exacerbate the digital divide. The transition could involve significant job displacement and income distribution changes, making it essential that policy responses promote the equitable and ethical integration of AI, train the next generation of workers, and protect and retrain those currently at risk. The policy responses should be comprehensive, including basic education, to ensure that students and teachers are properly equipped for the future.

Ensuring women's access to the green economy. As the Asia-Pacific region faces whole of economy shifts across industries to create an ambitious new green economy and to meet Paris Agreement commitments, there is also a green shift in the labor force. Women's significant underrepresentation in essential green, digital and science, technology, engineering and mathematics (STEM) education and careers will substantially impact their ability to access opportunities and contribute to the transition. ABAC urges APEC economies to seize the opportunity and take action to address structural barriers and ensure women's access to careers in the green economy.

Building a digital trust enabled workforce. APEC economies should focus on reinforcing a supportive and conducive policy environment with respect to enhancing trust and confidence in the digital economy. Raising the competencies of the workforce is essential to develop a skilled digital trust workforce. This is an area in which APEC governments must work with industry to help them attract, recruit, train and develop a workforce that meets the needs and demands of an increasingly complex digital landscape.

Transitioning the informal sector to the formal economy, including through digitalization and access to finance. The informal sector represents a significant share of economic activity and total employment in many APEC economies. The sector represents an unreached, untapped, unregulated and unprotected portion of the economy with huge potential benefits if formalized. Fostering greater digital trust can play a crucial role in promoting the formalization of economies by fostering economic integration, enhancing economic representation, and driving economic growth and resilience. APEC economies must reduce the barriers to accessing and using digital tools. Continued efforts are also required to put in place key enablers, such as the digital and data infrastructure and legal and regulatory frameworks, that promote inclusive digital financial services.

Sustainability

Securing food sustainability and advancing responsible natural resource management. To close existing gaps in the food system and ensure greater resiliency throughout the APEC region, ABAC urges APEC economies to: establish coherent standards for agri-food technology to foster sustainable innovation; eliminate distorting agriculture and fisheries subsidies, expand market access and facilitate trade and supply chains for greater food security; and revitalize public-private partnerships, including through ensuring that the private sector has a meaningful voice in the APEC Policy Partnership for Food Security.

Fostering circular economy practices and effective waste management. Water consumption and pollution are among the most pressing environmental issues of the textile and apparel industry. Circular solutions, through the adoption of water-saving technologies and methods, enhancing water recycling rates and minimizing waste generation throughout the process, are currently being used to help mitigate the problem. However, to establish a viable circular water economy, various obstacles must be addressed, including regulatory, institutional, behavioral, and technical barriers. Reducing costs is imperative to make these solutions economically feasible.

Promoting just, ambitious and realistic energy transitions. APEC should accelerate efforts toward a low-carbon future by reducing emissions, including through the elimination of inefficient fossil fuel subsidies, promoting trade and investment in renewable energy, and encouraging green investment and related infrastructure development. To meet ambitious climate goals amid rising electricity demand, APEC needs to deploy advanced clean technologies such as hydrogen, ammonia, carbon capture utilization and storage, carbon recycling, biomass, nuclear and energy-saving technologies, as a complement to the transition to renewable energy sources. A realistic energy transition can be achieved by utilizing advanced technologies to increase low-carbon investments and expanding transition finance options, including measures to address currency risk, supported by international cooperation and the development of low-carbon roadmaps. APEC should promote reforms to enable the use of a wider range of assets, including intellectual property, to finance sustainable innovations, and explore feasible ways of developing an Asia-Pacific Network of Interoperable Voluntary Carbon Markets through a regional pathfinder initiative.

Promoting convergence of sustainability disclosure requirements in APEC. Recognizing the rapid acceleration of implementation of mandatory sustainability disclosure requirements in APEC economies, enhanced cooperation is needed to harmonize these disclosure requirements across jurisdictions in the region. Currently, there are inconsistencies between the entities that are required to report, the timelines for reporting, and the topics required for disclosure. This fragmentation in reporting requirements undermines the integrity and comparability of reporting across jurisdictions – creating potential opportunities for corruption and greenwashing. ABAC encourages APEC economies considering mandatory disclosure to support policy trends to promote the continued convergence of requirements in the region.

Establishing a Greener Trade Framework. APEC should establish a Greener Trade Framework, based on WTO-consistent principles, to effectively leverage trade in addressing the climate challenge. Such a region-wide, principles-based framework would support the transition to low-carbon, nature-positive and inclusive economies. The framework should reflect ABAC's Climate Leadership Principles of Reduction, Adaptation, and Just Transition, expand the work on the liberalization of environmental goods and services, and should aim to avoid all forms of green protectionism.

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 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.

Enhancing natural disaster risk preparedness in the Asia-Pacific region. The Asia-Pacific region is the world's most exposed region to disasters and climate risks. ABAC urges APEC economies to promote innovative solutions such as disaster risk insurance, especially in developing economies, and to facilitate knowledge exchange between best-prepared economies and those most at risk. Addressing climate risk requires not only an all-of-APEC but all-of-society approach, including businesses, especially those drawn from vulnerable groups. Public-private partnership is critically important.



Table of Contents

Regional Economic Integration

- 16 Building the Free Trade Area of the Asia-Pacific
- 16 Championing a strong and relevant World Trade Organization
- 17 Promoting women entrepreneurs' access to venture capital financing
- 17 Supporting open, stable and resilient supply chains
- 18 Advancing coherent digital trade and a New Services Agenda
- 18 Supporting good governance of artificial intelligence through trade rules
- 19 Accelerating the adoption of paperless trade
- 19 Building interoperable deep-tier digital supply chain finance platforms
- 20 Creating an enabling investment environment through investment facilitation
- 20 Improving the APEC Business Travel Card scheme to facilitate business and investment
- 21 Modernizing tax systems in the era of the digital economy

Human Development

- 21 Mobilizing pension funds for growth
- 22 Facilitating data sharing in digital health
- 22 Building a digital trust enabled workforce
- 22 Empowering the health workforce with artificial intelligence
- 23 Addressing the implications of artificial intelligence for workers and skills development
- 23 Ensuring women's access to the green economy
- 24 Transitioning to the formal economy, including through digitalization and access to finance

Sustainability

- 25 Securing food sustainability and advancing responsible natural resource management
- 25 Fostering circular economy practices and effective waste management
- 26 Promoting just, ambitious, and realistic energy transitions
- 26 Promoting convergence of sustainability disclosure requirements
- 27 Establishing a Greener Trade Framework
- 27 Promoting interoperable voluntary carbon markets
- 28 Advancing sustainable growth for the electric vehicle supply chain
- 28 Enhancing natural disaster risk preparedness in the Asia-Pacific region

Annexes

- 32 A. ABAC Statement on FTAAP 2024: Unlocking the full potential of our region through deeper economic integration
- 35 B. ABAC Statement on the WTO
- 36 C. ABAC Recommendations for Accelerating Regional Adoption of Cross-Border Paperless Trade
- 36 D. Health Data Sharing: Public-Private Partnership Policies to Empower People and Health Systems in APEC Economies
- 37 E. The APEC Business Advisory Council

Main Report

Main Report

Regional Economic Integration

Building the Free Trade Area of the Asia-Pacific

The Free Trade Area of the Asia-Pacific (FTAAP) is the best way to unlock the full potential of our people and our economies, by countering fragmentation and creating new opportunities for all. ABAC calls on APEC to build FTAAP from the top down through high-quality trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP) and the Pacific Alliance, as well as innovative recent sectoral initiatives on digital trade, sustainability and inclusion. In parallel, APEC should build FTAAP incrementally from the bottom up through specific deliverables that will benefit businesses and communities in the shorter term, such as those recommended later in this Report on paperless trade, supply chains, women's access to venture capital, a Greener Trade Framework and a New Services Agenda. Together, the Pathway agreements and initiatives are crucial for dismantling trade barriers, achieving regulatory coherence, aligning standards, enhancing interconnectivity, building trust, and ensuring that all can share in the benefits of deeper economic integration. Annex A elaborates ABAC's 2024 Statement on FTAAP.

Recommendations:

- Actively pursue deeper integration through parallel top-down and bottom-up approaches.
- For those economies participating in high-quality regional trade agreements, work towards their full implementation and effective utilization, including by sharing knowledge and best practices on systems and implementation methods; monitoring and analyzing the utilization of the agreements, including through greater use of secretariat functions and improved transparency of committees' activities; pursue continuous improvement through updating and expansion; and strengthen confidence in the agreements' rules and commitments through the use of dispute settlement functions of such agreements, where necessary.
- Encourage new entrants into these high-quality regional trade agreements.
- Collect, publish and analyze data on the utilization of regional trade agreements.
- Champion short-term initiatives to help build FTAAP from the bottom up, including ABAC's recommended actions on paperless trade, supply chains, women's access to venture capital, a Greener Trade Framework and a New Services Agenda.

Championing a strong and relevant World Trade Organization

WTO Members working together can create the enforceable global trade rulebook that all economies need to sustain prosperity while also tackling the climate crisis and food insecurity, unlocking coherent digitalization, pushing back against protectionism, and fostering inclusion. However, much remains to be done to refine and update existing rules. ABAC urges APEC to show leadership in this critical work, including this year on dispute settlement, and at the next WTO Ministerial Conference in 2026 on the outcomes identified in the ABAC 2024 Statement on the WTO (Annex B). It is also of deep concern that

the continuation of the WTO E-Commerce Moratorium is not assured. Its termination would create corrosive uncertainty for business and potentially impose high compliance costs on vulnerable micro-, small and medium enterprises (MSMEs) and economies, undermining inclusive growth. ABAC warmly welcomes the E-Commerce Agreement negotiated by a large group of WTO members, including the permanent prohibition it includes on tariffs on digital goods and services, and urge its ratification, integration into the WTO rulebook and the expansion of its membership.

Recommendations:

- Work to reinstate a fully functioning, effective dispute settlement system in 2024.
- Lead efforts to make meaningful progress at the next WTO Ministerial Conference in 2026, as advocated in the ABAC Statement on the WTO.
- Champion plurilateral initiatives and their full legal integration into the WTO rulebook or WTO members' schedules of commitments as appropriate, including the initiatives on the domestic regulation of services and the Investment Facilitation for Development.
- With regard to the new E-Commerce Agreement, those economies that are participants should quickly ratify the agreement; and all economies should support its full legal integration into the WTO rulebook, and seek to become signatories to it.
- Work together to establish a permanent Moratorium in the WTO more broadly on tariffs on electronic transmissions.

Promoting women entrepreneurs' access to venture capital financing

Women entrepreneurs face substantial disadvantage in accessing venture capital for their businesses. Programs to support women and foster an environment conducive to women's engagement in trade and entrepreneurship, addressing in-built biases in lending practices, and leveraging women's untapped economic potential through the creation of a level playing field for all, will reap substantial economic rewards and opportunities for growth for the region.

Recommendations:

- Establish programs which promote women-led enterprises' access to venture capital financing.
- Encourage financial service providers and investors to support gender responsive solutions to the significant underrepresentation of women having access to finance.
- Collaborate with the private sector to encourage diversity in business practices and address in-built biases in lending practices.
- Foster an enabling environment for women entrepreneurs through concrete steps that may include, among others, legislative and gender-disaggregated disclosure measures, as appropriate for each market.

Supporting open, stable and resilient supply chains

Maintaining the openness, and enhancing the depth, efficiency, stability, connectivity, and resilience of supply chains, are crucial for promoting trade and investment in the Asia-Pacific region. Furthermore, supply chain arrangements can only be sustainable if they make business sense. Recognizing this, ABAC encourages APEC economies to seek to examine, and where necessary, establish principles governing supply chain measures so that they have the least trade and investment-distorting impact. Business can offer important insights into this work and should be engaged in any relevant policy discussions.



Recommendations:

- Take account of the following principles in developing supply chain policies:
 - Keep supply chains open, as recommended by ABAC in 2023.
 - Reaffirm commitments to transparent and non-discriminatory policy and build in additional consultation with businesses prior to introducing measures that may disrupt the sourcing, production, cross-border transportation, distribution and delivery of goods.
 - Notify any such measures in advance to support business planning, limit any measures to as narrow a scope as possible, and ensure consistency with WTO rules.
 - Ensure that any measures, including domestic regulations, do not seek to distort trade and investment and offer significant facilitation and predictability so tangible benefits can be factored into commercial considerations.
 - Ensure that any subsidies with the effect of influencing how supply chains are designed are WTO-consistent and in line with Base Erosion and Profit Shifting (BEPS) Pillar 2.

Advancing coherent digital trade and a New Services Agenda

A coherent and interoperable environment is vital for trusted and inclusive digital trade. ABAC calls on APEC to work deliberately to pursue interoperability in policies, regulations and standards, and through trade agreements. Priority should be given to the areas of the greatest importance to business, including trusted and secure data flows, e-payments and digital trade facilitation, identified in close consultation with business communities. In addition, recognizing the significant potential of trade in digitally-deliverable services to have a multiplier effect on inclusive growth, APEC should also establish a “New Services Agenda”. This could seek to remove barriers to trade in digitally-delivered services, pursue regulatory coherence and facilitation, and build capacity, particularly for groups with untapped economic potential, including MSMEs, women entrepreneurs and Indigenous businesses.

Recommendations:

- Actively work to support coherent and interoperable approaches to digital trade in the region, including through trade policies and rules, standards and regulations.
- Establish a “New Services Agenda” to remove barriers and facilitate trade in digitally-delivered services, and build the capacity of groups with untapped economic potential, including MSMEs, women entrepreneurs and Indigenous businesses, to participate successfully in such trade.

Supporting good governance of artificial intelligence through trade rules

The world is currently grappling with the need to establish appropriate governance guardrails around the responsible and inclusive development and use of artificial intelligence (AI) which encourages development and innovation of all economies, while mitigating the possibilities for misuse. A digital world will require effective, collaborative, cross-border governance solutions, including voluntary international cooperation initiatives and domestic models, and with existing and new trade and digital economy agreements also playing a pivotal role. There is a need to find a regulatory balance between protection and potential, and a need for the global community to work together to build an appropriate and coherent regulatory environment. It is essential that the private sector be included in finding that right balance. One significant contribution which trade and digital agreements can make to AI governance is their binding nature, providing certainty and possible redress for infringements. Discussing, developing and establishing appropriate and flexible frameworks and standards, especially as they relate to cross-border trade, will be imperative. Ensuring that provisions are flexible for rapidly evolving and changing technology, and supporting development of a better understanding of AI design, including the quality of data, and uses and impacts of AI, must be central to future undertakings.

Recommendation:

- Consider the potential role of new trade and digital economy agreements in supporting agreed international undertakings and tackling new frontier AI issues.

Accelerating the adoption of paperless trade

Global trade of physical goods remains largely paper-based and process intensive, with up to 4 billion paper documents circulating at any one time.¹ Fewer than 1% of trade documents are fully digitalized. Despite its clear benefits, there has been slow uptake of digital trade solutions, particularly by MSMEs, due to a mix of factors, including unfamiliarity with technology, high initial costs, and a lack of domestic legal recognition or acceptance of digital documents. There are potentially significant network effects with more widespread adoption. The region has not yet reached the tipping point for this. Annex C of this Report sets out ABAC's detailed findings and full recommendations on Accelerating Regional Adoption of Cross-Border Paperless Trade. ABAC calls on APEC economies to intensify their efforts for the universal adoption of paperless trade.

Recommendations:

- Accelerate the legal recognition of documents, records, and signatures in line with the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Transferable Records (MLETR) to enhance business confidence in using digital documents.
- Promote broader industry adoption of digital documents by implementing freely accessible government digital infrastructure, such as National Single Windows and digitalizing regulatory documents and certificates, to build the critical mass needed to overcome early adoption challenges.
- Collaborate with key supply chain stakeholders, including banks and shipping companies, to develop digital systems and digitalize their trade processes to encourage companies along the supply chain to follow suit.
- Provide fiscal incentives to encourage companies to digitize and digitalize internal business processes, including trade processes, to offset initial investment costs of digitalization.
- Partner with the private sector and trade associations to enhance capacity building efforts and empower businesses to embrace digital transformation.

Building interoperable deep-tier digital supply chain finance platforms

The development of interoperable digital platforms in all economies joining the Digital Trade Connect Network (DTCN) is key to the acceleration of progress toward end-to-end trade digitalization. The experience of certain APEC economies underscores the importance of prioritizing the standardization of trade documents, coordination of regulatory and legal frameworks to ensure interoperability across jurisdictions, and strong participation from key stakeholders to create initial take-up leading to wider adoption. However, it is also important to develop the digital infrastructure for deep-tier supply chain finance to enable the benefits from end-to-end digitalization of trade to cascade down the layers of the domestic supply chains to the micro- and smaller suppliers.

¹ <https://iccwbo.org/news-publications/policies-reports/standards-toolkit-for-cross-border-paperless-trade/#anchor-download>



Recommendations:

- Develop interoperable deep-tier digital supply chain finance platforms and accelerate end-to-end digital trade connectivity in all member economies. Those participating in the DTCN should adopt the Common Principles for Interoperable Deep-Tier Digital Supply Chain Finance.
- Collaborate across-the-board to develop the movable asset finance ecosystem and foster a common understanding and convergence of standards, definitions and legal frameworks around technology, data and electronic transferable records. Utilize key strategies, including building block and platform-based approaches, win-win collaboration, analysis of MSMEs' needs, fostering financial innovation and incentivizing adoption.

Creating an enabling investment environment through investment facilitation

Global foreign direct investment (FDI) is stagnating due to economic uncertainties and structural adjustments following recent shocks. This has led to fragmented FDI with asymmetric relocation risks, with protectionism and unilateralism driving uneven investment landscapes. Meanwhile, the rise of green technologies, sustainability initiatives, the digital economy, and services is reshaping investor priorities and offering new sustainable investment opportunities. Thus, a new FDI policy environment is emerging as economies revise strategies to attract and retain FDI. Amid these shifts, prioritizing investment facilitation within APEC is crucial.

Recommendations:

- Prioritize the implementation of investment facilitation measures, including those that enhance transparency and predictability, streamline administrative processes, and strengthen government-investor dialogue to cultivate a more conducive environment for sustainable economic growth and recovery.
- Promote the development of an APEC roadmap for a renewed Investment Facilitation agenda. This could include, among others, revising the APEC Investment Facilitation Action Plan and the APEC Non-Binding Investment Principles to adapt to the evolving global environment.
- Champion the integration of the WTO Investment Facilitation for Development Agreement into the WTO rulebook.

Improving the APEC Business Travel Card scheme to facilitate business and investment

The APEC Business Travel Card (ABTC) is one of APEC's most impactful initiatives, simplifying entry requirements and improving business travel and facilitating investment within the APEC region. ABAC conducted a survey focused on cardholders' experience to identify the main challenges and opportunities for improving the ABTC scheme. The survey yielded insightful findings, particularly related to the visibility of benefits, the process for obtaining and renewing the card, and its digital usage.

Recommendations:

- Implement mechanisms to expedite the application and issuance process of the ABTC and reduce waiting times. This could be achieved by improving information flow among responsible institutions, ensuring real-time data exchange, and establishing standardized procedures to streamline processing and enhance the user experience.
- Expand the implementation of virtual ABTC and promote visibility of the ABTC benefits.

Modernizing tax systems in the era of the digital economy

As virtual transactions rise, tax administrations face revenue collection challenges. Implementing international mechanisms like the Organization for Economic Cooperation and Development (OECD)'s BEPS initiative poses compliance and data management difficulties for multinational enterprises (MNEs). While tax authorities are adapting to facilitate revenue collection, MNEs may encounter more costs, potentially leading to more controversies. To prevent revenue loss, economies need to cooperate and adopt collaborative tax compliance approaches, like the International Compliance Assurance Program. Local tax collaboration agreements can also help reduce tax leakage and optimize resources. Modernizing tax systems to keep up with the digital economy is essential, requiring strong measures to protect taxpayer data and privacy.

Recommendations:

- Establish a consistent set of compliance and reporting requirements that align with a common approach in transitioning to digital tax administration, without overburdening enterprises.
- Consider a collaborative approach to tax compliance as part of broader efforts to enhance international tax cooperation and reduce the risks of tax avoidance and evasion in a globalized economy.
- Strengthen data security and privacy within tax systems, including updates to cybersecurity frameworks, data encryption, access controls, and privacy legislation.

Human Development

Mobilizing pension funds for growth

Pension funds manage large amounts of capital that can be mobilized to finance growth. However, enabling them to expand and diversify investment in private markets (including real estate, infrastructure, private equity and private debt) and small- and mid-cap companies will require addressing obstacles arising from various supply- and demand-side factors. These include structural and operational factors affecting investment decisions in large asset owners and the shortage of skilled investment professionals in many economies. Recognizing the varying levels of market development across the region, such an initiative needs to rely on a strategy that encourages the more mature economies to accelerate reforms while at the same time building capacity in the less developed economies to follow in this path.

Recommendations:

- Launch an Inclusive Long-Term Investment Pathfinder Initiative to encourage more mature member economies to introduce reforms enabling pension funds to expand investment in private markets and small- and mid-cap companies and support less developed economies in building capacity to undertake these reforms in the future. This initiative can focus on the following components:
 - Policy reforms to improve corporate governance and reforming the asset management sector and asset ownership
 - Development and sharing of Best Practices for Emerging Manager Programs
 - Convening key policy, industry and multilateral stakeholders to collaborate in advancing the initiative



Facilitating data sharing in digital health

The 2024 ABAC-funded research report Health Data Sharing (Annex D) finds that the social and economic benefit of health data sharing is worth at least 2.5% or more of global Gross Domestic Product (GDP) and yet is 97% under-utilized. Health data sharing raises important policy issues, including data quality, privacy, inconsistent standards, overly restrictive or non-harmonized regulations, lack of ethical considerations, and insufficient governance and financing for implementation of change.

Recommendations:

- Align on a common technical standard for data formats, identification numbers, and interlinks following an international protocol for health data sharing like Health Level Seven (HL7), and aim higher for centralized, accessible, and usable repositories.
- Harmonize governance of opt-out models and ethical and privacy protocols.
- Form official health data sharing offices within each economy, complete with training, use case collection, and value capture, including down to a citizen level.
- Right-size health data sharing investments in domestic strategies, expand capability upskilling, and include private sector expertise.

Building a digital trust enabled workforce

APEC economies should focus on reinforcing a supportive and conducive policy environment with respect to enhancing the trust and confidence in the digital economy. Raising the competencies of the workforce is essential to develop a skilled digital trust workforce. This is an area in which APEC governments must work with industry to help them attract, recruit, train and develop a workforce that meets the needs and demands of an increasingly complex digital landscape.

Recommendations:

- Support lifelong learning and professional development through government-sponsored upskilling and reskilling programs.
- Provide incentives to employers in the form of tax rebates or subsidies for employers who invest in the training and development of existing workers.
- Establish continuous learning platforms to promote online learning that culminate into recognized, accredited certifications that are practical tools of upgrading for existing workers.
- Establish public-private partnerships with private sector companies to create internships, apprenticeships, cross-border and on-the-job training opportunities in digital trust related fields.
- Ensure educational curriculum is updated and kept aligned with the current and future needs of the job market in collaboration with academia and industry.
- Establish a domestic skills or talent development framework that sets a longer-term vision for workforce and businesses on the economy's direction/next stage of growth.

Empowering the health workforce with artificial intelligence

Ageing societies, the risk of infectious diseases like COVID-19, and the rise of chronic non-communicable diseases and mental illness are among the most pressing health challenges in APEC economies. Demographics and epidemiology are constantly evolving. In the 21st century, the goal is on improving healthy life expectancy in order to maximize quality of life and productivity. New solutions to challenges through digital health innovation have the potential to transform healthcare systems while reducing costs and promoting health equity, especially among underserved and vulnerable populations.

Recommendations:

- Empower the workforce to work on AI in digital health through programs that enable the gaining of practical knowledge and skills.
- Collaborate with the private sector to harmonize existing domestic regulatory frameworks on the approval process for Software as a Medical Device (SaMD) to ensure safety, streamline workflows, and improve software and device effectiveness.

Addressing the implications of artificial intelligence for workers and skills development

It will be critical that APEC economies develop strategies to harness the positive impact of AI for industries and economies, while addressing potential risks for workers. AI promises long term productivity gains; however, there is uncertainty about whether AI will help address or exacerbate the digital divide. The transition could involve significant job displacement and income distribution changes, making it essential that policy responses promote the equitable and ethical integration of AI, train the next generation of workers, and protect and retrain those currently at risk. The policy responses should be comprehensive, including basic education, to ensure students and teachers are properly equipped for the future.

Recommendations:

- Develop policies that support continuous learning, reskilling, upskilling and provide safety nets for displaced workers.
- Modernize education systems to integrate AI and computer science into school curricula to promote computational thinking and digital literacy.
- Promote lifelong learning ecosystems and encourage partnerships between educational institutions and industry.
- Establish guidelines for ethical AI use, ensuring AI applications are transparent, fair and respect data privacy.
- Facilitate industry designed capacity building training for MSMEs.
- Improve digital infrastructure to support AI adoption.
- Assist MSMEs and women-led businesses to access new markets through the utilization of AI applications, such as multilingual translation.

Ensuring women's access to the green economy

As the region faces whole of economy shifts across industries to create an ambitious new green economy and to meet our Paris Agreement commitments, there is also a green shift in the labor force. The International Finance Corporation predicts that there will be 213 million new jobs in climate businesses around the globe by 2030. Women's significant underrepresentation in essential green, digital and science, technology, engineering and mathematics (STEM) education and careers will substantially impact their ability to access those opportunities and contribute to the transition. There is now an opportunity to address gender disparities and structural barriers in the workforce and meet the demand for a labor force capable of accelerating the transition. ABAC urges APEC economies to take up that opportunity.



Recommendations:

- Prioritize the enhancement of education and training systems to provide widespread access to green, STEM, and digital skills training, reskilling and upskilling opportunities.
- Incorporate gender targets in domestic green transition plans.
- Improve data collection on gender employment and remuneration.
- Work with employers to create an inclusive workplace environment, establish care policies and benefits, offer flexible working arrangements, combat harassment, ensure equitable access to upskilling programs and promote women into leadership roles.

Transitioning to the formal economy, including through digitalization and access to finance

The informal sector represents a significant part of the economy and total employment in many APEC economies. The sector represents an unreachd, untapped, and unregulated portion of the economy with huge potential benefits if formalized, as informal workers and businesses struggle to access conventional financial services, social security, and the protection of the judicial system. Digital trust can play a crucial role in promoting the formalization of economies by fostering economic integration, enhancing economic representation, and driving economic growth and resilience. Digital tools can act as enablers to support the transition from the informal to the formal sector for MSMEs by simplifying bureaucratic processes, increasing access to financing, and expanding their market reach. Robust e-government services, digital wallets and e-commerce are showing positive impacts on bringing businesses into the formal economy as well as improving transparency. However, for these incentives to be effective, APEC economies must reduce the barriers to accessing and using digital tools. Continued efforts are also required to put in place key enablers, such as the digital and data infrastructure as well as legal and regulatory frameworks that promote inclusive digital financial services.

Recommendations:

- Enhance digitally-delivered public services to simplify business registration and taxation to make it easier to do business and join the formal economy.
- Bridge the digital divide by investing in digital infrastructure, lower the cost of internet access, and invest in digital capacity building programs and resources for MSMEs, with a focus on micro-enterprises and underrepresented groups.
- Provide targeted incentives to make formalization more attractive to MSMEs, including e-commerce initiatives to expand market reach, digital payments for financial inclusion, and government e-procurement platforms.
- Incorporate digital financial inclusion for the informal economy in future APEC workstreams to help implement the proposed APEC Roadmap to Promote the Transition to the Formal and Global Economy.
- Develop policies to remove key barriers to wider MSMEs' participation in digital trade finance platforms.

Sustainability

Securing food sustainability and advancing responsible natural resource management

The COVID-19 pandemic and global uncertainties have underscored the need for focused action to establish a sustainable, secure, resilient and inclusive regional food system which supports equitable access to adequate, safe, nutritious and affordable food for all. Solving food insecurity in the APEC region and globally requires a cross-regional and whole-of-society approach. ABAC encourages APEC to work to close existing gaps in the food system and ensure greater resiliency throughout the APEC region. In particular, coherent approaches to regulatory standards for agri-food technologies and good data governance are needed to foster innovation, interconnectedness, sustainability, food safety, and consumer protection. Resilient supply chains are also essential; ABAC's Supply Chain Resilience Toolkit provides a suite of actions to enable this, and the adoption of paperless trade through the region would similarly support efficient and lower-cost food trade, helping to match supply with demand more effectively.

Recommendations:

- Establish coherent standards for agri-food technology to foster sustainable innovation.
- Expand market access and facilitate trade and supply chains, including through the full implementation of the WTO Fisheries Subsidies Agreement and the conclusion of its second stage, the elimination of trade-distorting agriculture domestic support, ensuring free and unimpeded flows of agricultural goods and services, including through further reductions in agriculture tariffs, the elimination of non-tariff barriers and adoption of paperless trade.
- Revitalize public-private partnerships for effective approaches to food security, including by ensuring that the review of the terms of reference of the Policy Partnership on Food Security enables a genuine partnership, complemented by the exchange of industry best practices and cross-border research collaborations.

Fostering circular economy practices and effective waste management

With water consumption and pollution being among the most pressing environmental issues of the textile and apparel industry and other sectors, it is crucial to take note of how circular economy practices and effective waste management can help mitigate the problem. Currently, circular solutions are making inroads into the textile industry primarily through the adoption of water-saving technologies and methods aimed at reducing freshwater input. Additionally, there is a growing emphasis on enhancing water recycling rates and minimizing waste generation throughout the process. Likewise, it must be acknowledged that circular water practices within major industries also help reduce freshwater consumption and its pollution. However, to establish a viable circular water economy, various obstacles must be addressed, including regulatory, institutional, behavioral, and technical barriers. Reducing costs is imperative to make these solutions economically feasible.

Recommendations:

- Revise regulatory and institutional frameworks to support, incentivize and facilitate the transition into a circular water economy.
- Strengthen ties among manufacturers, policymakers, and non-governmental organizations to address challenges in implementing the circular water economy.



Promoting just, ambitious, and realistic energy transitions

As APEC economies work toward a low-carbon future, "realistic energy transitions" that respect economies' diverse economic circumstances and decarbonization pathways and seriously consider actual energy security and supply stability situations are essential. Among other causes of increasing demand for energy, the expected impact of digitalization and generative AI could mean that a very rapid transformation of energy infrastructure could lead to supply disruptions and heavy economic burdens thereby depriving economies the ability to promote further necessary low-carbon investments. At the same time, efforts should be ambitious and consistent with ABAC's Climate Leadership Principles of Reduction, Adaptation and Just Transitions. In the context of efforts to reduce carbon emissions and promote the development and uptake of renewable energy, it may be preferable to reconfigure and replace energy infrastructure in stages tailored to each economy's actual situation and strike a balance between achieving climate goals, ensuring stable energy supply and security, and ensuring a Just Transition for all. APEC should also promote reforms to enable the use of a wider range of issues, including intellectual property, to finance sustainable innovations.

Recommendations:

- Continue to pursue emissions reductions, including through the urgent elimination of inefficient fossil fuel subsidies.
- Further promote and expand the development, use and trade in renewable energy, other forms of green investment and related infrastructure development, including through a Roadmap for Trade and Investment in Renewable Energy.
- Promote low-carbon investment to minimize carbon dioxide (CO₂) emissions from fossil fuels which economies rely on in the short-term and still be consistent with their low-carbon roadmaps. Various advanced clean technologies such as hydrogen and ammonia usage, carbon capture utilization and storage, carbon recycling, biomass, renewables, nuclear and energy-saving technology in social infrastructure need to be actively deployed.
- Expand transition finance options, including measures to address currency risk, supported by international cooperation and the development of low-carbon roadmaps, to increase low-carbon investment and realize realistic energy transition.
- Promote reforms to enable the use of a wider range of issues, including intellectual property, to finance sustainable innovations.

Promoting convergence of sustainability disclosure requirements

Recognizing the rapid acceleration of implementation of mandatory sustainability disclosure requirements in APEC economies, enhanced cooperation is needed to harmonize these disclosure requirements across jurisdictions in the region. Currently, there are inconsistencies between the entities that are required to report, the timelines for reporting, and the topics required for disclosure. This fragmentation in reporting requirements undermines the integrity and comparability of reporting across jurisdictions – creating potential opportunities for corruption and greenwashing. Additionally, the increased cost and complexity of compliance will disadvantage small and medium enterprises while diverting resources away from actual sustainability initiatives. Despite these differences, convergence is emerging amongst APEC economies in certain areas, including prioritization of reporting on climate, limiting disclosure requirements to listed companies, and focusing reporting on financial materiality. ABAC encourages APEC economies considering mandatory disclosure to support these policy trends to promote the continued convergence of requirements in the region.

Recommendations:

- Create opportunities to support the development of the sustainability disclosure ecosystem in APEC economies, including through capacity building activities with regulators, reporters (particularly MSMEs), and assurance providers.
- Establish a platform for regional public-private consultation and cooperation on sustainability reporting, to promote regional and global convergence between sustainability disclosure frameworks across different jurisdictions.
- Increase cooperation with other leading intergovernmental forums active in this area, including the United Nations, G20, International Organization of Securities Commissions, OECD, among others.
- Collaborate with ABAC to produce clear guidance on mechanisms for building interoperability and convergence between domestic and international frameworks, including by prioritizing climate reporting and granting equivalence to sustainability reports that comply with globally-recognized standards.

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 Greener Trade Framework, based on WTO-consistent principles, to effectively leverage trade in addressing the climate challenge. 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. The framework should reflect ABAC's Climate Leadership Principles of Reduction, Adaptation, and Just Transitions, promote the ambitions of the APEC Trade and Investment in Renewable Energy Roadmap proposed by ABAC, and should aim to avoid all forms of green protectionism.

Recommendation:

- Establish a coherent Greener Trade Framework, based on a set of WTO-consistent principles and reflecting ABAC's Climate Leadership Principles of Reduction, Adaptation and Just Transitions, to effectively leverage trade in addressing the climate challenge and avoid all forms of green protectionism.

Promoting interoperable voluntary carbon markets

Voluntary carbon markets (VCMs) can play a very important role in mobilizing sustainable finance if interoperable markets exist where buyers and investors can trust the integrity of carbon credits. This would require addressing a number of complex challenges. Various elements of interoperability, including principles, best practices, labels, quality assessments, registries and methodologies already exist, and several initiatives have been started that could help in this effort. A series of discussions hosted by ABAC this year indicated significant interest among public, private and international stakeholders in collaborating to help accelerate the development of interoperable VCMs in the region through an Asia-Pacific Network of Interoperable Voluntary Carbon Markets.



Recommendations:

- Collaborate with ABAC and the Asia-Pacific Financial Forum Sustainable Finance Development Network, the private sector and relevant international organizations to explore feasible and non-discriminatory ways of developing an Asia-Pacific Network of Interoperable Voluntary Carbon Markets through a regional pathfinder initiative.
- As an initial step, hold discussions to develop a work plan for identifying key obstacles to the cross-border trading of voluntary carbon credits among jurisdictions and how they can be addressed.

Advancing sustainable growth for the electric vehicle supply chain

The increasing popularity and widespread use of electric vehicles (EVs) bring many opportunities, making it an attractive investment proposition, supporting both economic growth and the transition to a sustainable low-carbon economy. Projections show a significant rise in EV sales, jumping from 10.5 million units in 2022 to an impressive 27 million by 2026. This shift to EVs marks a crucial change in the car industry. However, trade in EVs, EV components and inputs, and related services, are increasingly facing trade barriers. More investment is needed to strengthen EV supply chains.

Recommendations:

- Ensure fair trade conditions and reduce trade frictions through the elimination of tariffs, non-tariff barriers and other discriminatory trade policies to facilitate the seamless movement of goods and services related to the production of EVs.
- Support the development of international standards to simplify compliance and reduce costs.
- Promote investment in EV infrastructure and critical mineral supply chains, and encourage sustainable mining practices.

Enhancing natural disaster risk preparedness in the Asia-Pacific region

The Asia-Pacific region is the world's most exposed region to disasters and climate risks. It accounted for over 80% of economic losses and more than 40% of the victims reported globally from 2000 to 2019. In 2022, over 140 disaster events occurred in the Asia-Pacific region – affecting more than 64 million people, and bringing economic damage estimated to be over \$57 billion. In the latest World Risk Index 2023, five in the top ten most at-risk are APEC economies, among the 193 economies covered. Moreover, 16 APEC economies belong to the upper quintile and have a very high disaster risk score, which measures not only the exposure to risks, but also the vulnerability, particularly the coping ability to minimize damage, and adaptability to mitigate or avoid future adverse impact. The impact of the increasing frequency, magnitude, and scope of natural disasters calls for an equally intensified concerted and collective action, as well as more innovative and targeted solutions. Addressing climate risk requires not only an all-of-APEC but all-of-society approach, especially those from the vulnerable groups and where public-private partnership is critically important.

Recommendations:

- Promote innovative solutions such as disaster risk insurance, especially in developing economies.
- Facilitate knowledge exchange between best-prepared economies and those most at risk.

Annexes

Annex A

ABAC Statement on FTAAP

Unlocking the full potential of our region through deeper economic integration

The APEC Business Advisory Council (ABAC) remains strongly committed to the full realization of the Free Trade Area of the Asia Pacific (FTAAP). While we represent diverse business perspectives within and across the 21 APEC economies, we share a common ambition: to unlock the full potential of our people and our region through deeper economic integration, open markets and non-discrimination. Bringing our economies closer together has never been more urgently needed than in the face of rising protectionism and economic fragmentation. FTAAP is not an end in itself, but rather is a vehicle to create a more prosperous, inclusive, sustainable, peaceful, stable and resilient region.

Achieving this goal requires two converging strategies: first, seeking to build FTAAP from the top down through high-quality trade agreements, and second, in parallel, also building incrementally from the bottom up through specific initiatives to benefit our businesses and communities in the shorter term.

Building from the top down

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP) and the Pacific Alliance serve as foundational infrastructure for FTAAP, complemented by other high-quality regional free trade agreements. In addition, recent sectoral initiatives, especially those addressing the twin transformations in the digital and green economies along with inclusion, offer innovative solutions to current challenges which are not fully addressed in existing agreements. These integration mechanisms are crucial for dismantling trade barriers, aligning standards, ensuring trade rules are relevant, enhancing interconnectivity, and above all, for building trust and confidence in economic integration in our region.

- Participants in these agreements should work towards full implementation and effective utilization, including by sharing knowledge and best practices on uptake; monitoring and analyzing the utilization of the agreements, including through greater use of secretariat functions and improved transparency of committees' activities; continuous improvement through updating and expansion; and strengthening confidence in the agreements' rules and commitments through the use of dispute settlement, where necessary.

Building from the bottom up

We must catalyze progress through the incremental achievement of tangible deliverables. These should be in areas of interest to business, and which also support our broader goals of prosperity, inclusion and sustainability. ABAC has identified the following five priorities for 2024:

1) A more coherent and interoperable approach to cross-border digital trade

With the advent of technology and the increased use of the internet and data analytics, digital trade is increasingly important for businesses and economies. Virtually all trade is digital or digitally-enabled. Beyond e-commerce and other kinds of digitally-ordered trade such as streaming services and telemedicine, many businesses, including micro-, small and medium-sized enterprises (MSMEs) also use digitally-enabled processes such as e-invoicing, e-payments, digital identities, the cross-border

flow of data, cybersecurity, and artificial intelligence (AI). A coherent operating environment is vital for trusted and inclusive digital trade, and to fully harness technology's potential to spark business innovation, improve accessibility of goods and services to underserved populations, and improve cost and process efficiencies.

- APEC should work to drive interoperability in policies, regulations and standards, and through trade agreements within the APEC region. As part of this effort, APEC policymakers should consult with business and other stakeholders to identify core principles and the most important digital trade provisions to enable digital trade.
- APEC should agree a permanent moratorium on the imposition of tariffs on electronic transmissions, and promote free and trusted cross-border data flows to provide regulatory certainty and unlock inclusive opportunities.

Cross-border paperless trade is a critical facilitator for all kinds of trade, including goods trade. It enhances efficiency, reduces costs, and improves supply chain visibility, resilience, inclusiveness and sustainability.

- APEC should support a conducive legal environment for cross-border paperless trade by aligning domestic laws with the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Transferable Records (MLETR), and collaborating with key supply chain enablers, such as banks and shippers, to develop and adopt the necessary and available digital infrastructure and frameworks.

AI offers substantial opportunities, but must also be developed and used in a way that is responsible, inclusive and trustworthy. Both domestic governance and trade agreements are important in this regard. Trade agreements can help to provide greater clarity, structure and confidence on the adoption of international AI standards, including on safety, and the continued application of intellectual property rights, including copyright, operation of trade secret protections, approaches to data regulation, privacy, security, content and misinformation, cross-border data flows and competition policy.

- APEC should participate in international cooperation efforts to establish shared principles and develop governance frameworks for AI.

2) A New Services Agenda

Trade in digitally-deliverable services is outpacing all other kinds of trade, and offers the potential to create significant new opportunities for groups with untapped economic potential, including MSMEs, women, Indigenous entrepreneurs and others. However, this type of trade increasingly faces regulatory and other non-tariff barriers, and there are also capacity and infrastructure impediments to engagement by such businesses.

- APEC should develop a 'New Services Agenda' for digitally-deliverable services.

3) A 'Greener Trade Policy' to leverage trade for better environmental outcomes

Trade can drive the transition to a green economy, but we cannot fully leverage this potential without the right enabling environment. It would help catalyze progress to develop a 'Greener Trade Policy' framework to identify, liberalize and facilitate uptake of key trade tools, based on a set of principles for good green economy governance. These principles should include as core concepts that trade responses to climate change should at a minimum be non-discriminatory; trade-enabling or, as appropriate, least-trade-distorting; transparent; not unnecessarily complex or costly; and based on robust scientific and technical evidence, and international standards, where these exist.



Issues of importance to business include the development of more coherent, transparent and science-based international carbon accounting standards and labelling requirements; interoperable voluntary carbon markets, greening supply chains; enabling policy settings for green financing; liberalization of tariff and non-tariff barriers to trade in environmental goods and services; and a framework for trade and investment in renewable energy. APEC economies should also refrain from green protectionism, creating harmful distortions to competition and inclusion, even while aiming to safeguard the environment.

- APEC policymakers should develop a 'Greener Trade Policy Framework' which enables and encourages the use of trade in the climate response.

4) Women's access to venture capital for trade

Despite the commitment of APEC economies in the Putrajaya Vision to fostering quality growth that brings palpable benefits to all, many groups, including MSMEs, women, Indigenous entrepreneurs and others, in both the informal and formal sectors of the economy across the region, continue to face significant inequality, underpinned by longstanding structural disadvantages. This prevents the full realization of the human and economic potential of our region.

Action is needed across many aspects of legal, regulatory and policy domains to achieve greater equity, but in the near term, one priority must be to address the obstacles and biases which operate to exclude women-led enterprises from access to venture capital funding. Growth and innovation are hindered by women's continued disadvantage in access to funding. APEC should share best practices, adopt programs to provide grants to women-led businesses, complemented by support for mentorship, building financial literacy and business confidence, and implement policies to encourage venture capital funds to diversify and be more inclusive, both in their own businesses and in their lending practices.

5) Strengthen supply chain cooperation to enable greater resilience

Open, efficient, resilient, and interconnected supply chains underpin trade and investment in the Asia-Pacific region. Maintaining the openness, and enhancing the depth, efficiency, stability, connectivity and resilience of supply chains, are crucial for promoting trade and investment in the Asia-Pacific region. However, supply chain arrangements can only be sustainable if they make business sense, a lesson underscored by some of the unintended consequences of government interventions in supply chains in recent years.

- APEC should commit to more actively consulting businesses on supply chain policies, and should refrain from introducing policy interventions inconsistent with the WTO rules and measures that can trigger disruption and distort trade and investment flows. The set of principles on non-tariff barriers developed by ABAC in 2017 provides a good basis for identifying such measures.
- APEC policymakers should also explore ways to expand business-to-business cooperation on supply chains by leveraging various platforms and tools to strengthen resilience.

ABAC calls on APEC policymakers to take action on these five initiatives as building blocks towards the eventual FTAAP. APEC should monitor and prioritize progress towards their achievement in the period ahead.

Annex B

ABAC Statement on the WTO

Now, more than ever, the world needs a credible, relevant, and effective multilateral trading system, with the World Trade Organization (WTO) at its core. In this era of global challenges, the APEC Business Advisory Council (ABAC) recognizes that the WTO is instrumental in fostering prosperity, peace, stability, economic security, and equitable opportunities for all. We welcome the accession of two new members, Timor Leste and Comoros, as affirmation of this.

The global landscape is rapidly evolving, and so too must the WTO. The organization is uniquely positioned to develop the essential tools to combat pressing global risks such as trade distorting practices, rising unilateralism, climate change and food insecurity. But there is no WTO without its Members. Its effectiveness depends upon the unwavering support and commitment of us all.

A disappointing outcome is in prospect for the 13th WTO Ministerial Conference (MC13) in Abu Dhabi. Instead, we urge APEC Ministers Responsible for Trade to work together to drive ambitious results. In particular, we call on APEC Ministers:

- To seek agreement on a permanent Moratorium on Customs Duties on Electronic Transmissions, in order to prevent the creation of new trade barriers in the digital economy which is so vital to growth, inclusion and sustainability in our interconnected communities. New tariffs would hit the most vulnerable the hardest, and work against economic development;
- To seek the immediate reinstatement of the Appellate Body and agreement to necessary reforms to the WTO's dispute settlement system, without which the WTO architecture of commitments, obligations and mutually beneficial opportunities is in jeopardy;
- To pursue meaningful reforms in agriculture and fisheries, including the substantial reduction and elimination of trade-distorting agriculture subsidies, the urgent ratification of the Fisheries Subsidies Agreement, and the conclusion of the Agreement's second phase, in order to avert the wanton destruction of the global commons and ensure fair competition and food security for all.

We also call on APEC Ministers to champion open plurilateral agreements, including the Joint Statement Initiatives. These initiatives provide pragmatic and innovative solutions to critical challenges. Three-quarters of the WTO's membership are participants. Attempts to derail these efforts undermine our shared goals of global development and prosperity. In particular, we urge APEC Ministers:

- To support full endorsement of the Investment Facilitation for Development Agreement and its integration into the WTO legal framework, which promises to unlock development, prosperity and sustainability in our region;
- To champion a package of substantive outcomes on E-Commerce this year, to enable economies to leverage the full benefits of the digital age, facilitate trusted cross-border data flows, mitigate the digital divide, and counter regulatory fragmentation; and
- To support initiatives that seek to enable trade effectively to address sustainability, including responding to climate change, the most urgent threat to humanity.

It is time for APEC economies to act decisively to support ambitious outcomes at MC13. Collectively, we can advance a trade environment that not only nurtures economic growth but is also responsive to the demands of our societies and the planet. This should be our legacy.



Annex C

ABAC Recommendations for Accelerating Regional Adoption of Cross-Border Paperless Trade



Annex D

Health Data Sharing: Public-Private Partnership Policies to Empower People and Health Systems in APEC Economies



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 2024

In 2024, Peru took on the chair of ABAC, with the United States and Korea as co-chairs, following the APEC order. Co-chairs represent immediate past and future chairs.

This year, ABAC adopted the theme "People. Business. Prosperity". The 2024 work program focused on the following priorities, the work on which was carried out by the three working groups below and two task forces – Digital and Innovation Task Force and Finance and Investment Task Force.

Regional Economic Integration Working Group

- Revitalizing the strategy towards FTAAP and regional trade architecture
- Advancing digital trade and a New Services Agenda
- Creating an enabling investment environment through investment facilitation practices
- Modernizing tax systems in the era of the digital economy

Human Development Working Group

- Strengthening pensions and healthcare systems
- Boosting digital transformation for human and skills development
- Advancing financial inclusion

Sustainability Working Group

- Securing food sustainability and advancing responsible natural resource management
- Fostering circular economy practices and effective waste management
- Driving the shift to low-carbon economies and energy transition
- Enhancing natural disaster risk preparedness and building robust infrastructure



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 2024: Kuala Lumpur, Malaysia (14-16 February); Hong Kong, China (22-25 April); Tokyo, Japan (1-4 August); and Lima, Peru (10-12 November).

ABAC actively participated in various APEC meetings and related events, among others:

- First APEC Senior Officials' Meeting (SOM1) and related meetings (Lima, Peru: 24 February-8 March)
- Finance and Central Bank Deputies' Meeting (Arequipa, Peru: 21-24 February)
- SOM2 and related meetings (Arequipa, Peru: 4-16 May)
- High-Level Policy Dialogue on Women and the Economy (HLPDWE) (Arequipa, Peru: 16 May)
- Joint Meeting of Ministers Responsible for Trade and Ministers for Women (Arequipa, Peru: 17 May)
- Ministers Responsible for Trade (MRT) Meeting (Arequipa, Peru: 17-18 May)
- Senior Finance Officials' Meeting (SFOM) and related meetings (Cusco, Peru: 27-30 May)
- Tourism Ministerial Meeting and related meetings (Urubamba, Peru: 5-9 June)
- Food Security Ministerial Meeting and related meetings (Trujillo, Peru: 12-18 August)
- SOM3 and related meetings (Lima, Peru: 12-25 August)
- Energy Ministerial Meeting (Lima, Peru: 15-16 August)
- High-Level Meeting on Health and the Economy (Lima, Peru: 18 August)
- SME Ministerial Meeting and related meetings (Pucallpa, Peru: 9-13 September)
- APEC High-Level Dialogue on Mining (Arequipa and Lima, Peru: 10-11 September)
- Finance Ministers' Meeting and related meetings (Lima, Peru: 18-21 October)
- APEC Ministers' Meeting (Lima, Peru: November)
- ABAC Dialogue with Leaders (Lima, Peru: 15 November)

Other events organized and/or participated in by ABAC included:

- ABAC-APFF Virtual Roundtable on Mobilizing Pension Funds for Growth (27 March)
- ABAC-APFF Virtual Roundtable on Interoperable Digital Trade Platforms and Deep-Tier Supply Chain Financing (10 April)
- ABAC-APFF Webinar on Financing Energy Transition in the Asia-Pacific Region (11 April)
- ABAC Roundtable on Digital Trade (Hong Kong, China: 22 April)
- APEC CEO Summit 2024: High-Level Forum and Global Roadshow (22 April)
- AI for Business: An Experiential Workshop on using Artificial Intelligence (Hong Kong, China: 23 April)
- ABAC-APFF Virtual Roundtable on Setting the Stage for Intellectual Property Financing (9 May)
- ABAC-APFF Disaster Risk Financing and Insurance (DRFI) Webinar (14 May)
- ABAC-APFF DRFI Webinar on Back to basics and a step forward – Learning session on the overview of possible solutions related to Disaster Risk Finance and Insurance (14 May)
- APFF & ASEAN-BAC Southeast Asia Conference 2024 on Creating a Digital, Sustainable and Resilient Regional Ecosystem to Empower MSMEs (17 May)
- ABAC-APFF Hybrid Roundtable on Enabling Development of Interoperable Voluntary Carbon Markets: Legal Aspects (23 May)
- ABAC-APFF Hybrid Roundtable on Promoting Digital Financial Inclusion for the Informal Economy (3 June)
- Language Insert AI Special Edition (LIAISE) Workshop (4 & 5 June)

- Do AI Locally Yourself (DAILY) Training Workshop (6 & 7 June)
- ABAC-APFF-OCBC-SBF Hybrid Roundtable on Promoting Sustainable Supply Chains in the Asia-Pacific Region (11 June)
- ABAC-APFF Virtual Roundtable on Expanding Private Sector Role in Hydrometeorological Risk Financing and Insurance (20 June)
- ABAC-APFF/SFDN Virtual Roundtable on Prospects for Interoperable Voluntary Carbon Markets in the Asia-Pacific Region (20 June)
- APFF Hybrid Seminar Scaling Up Sustainable and Transition Finance in Asia-Pacific (12 July)
- Implications of Artificial Intelligence for Workers and Skills Development Roundtable (22 July)
- ABAC-APFF/SFDN-FinCity Tokyo Hybrid Roundtable on Mobilizing the Asia-Pacific Region's Pension Funds for Growth (31 July)
- ABAC-APFF/SFDN-FinCity Tokyo Hybrid Roundtable on Advancing Interoperable Voluntary Carbon Markets in the Asia-Pacific Region (31 July)
- ABAC Japan Finance Seminar – Financing Energy Transition in Developing Economies: Addressing Foreign Exchange Risks to Unlock Large-Scale Private Capital (1 August)
- Digital Now & Next Panel and Roundtable with the Digital Trust Centre of Excellence Leadership Advisory (Tokyo, Japan: 1 August)
- Expediting AI Application in Healthcare: Our Commitment to Responsible Use and APEC Regulatory Harmonization (25 September)
- APEC SME Summit (Lima, Peru: 13 November)
- APEC CEO Summit (Lima, Peru: 13-15 November)

Studies and Related Work

ABAC commissioned research which sought to examine how digitalization can support the transition from the informal to the formal economy among APEC members. It likewise commissioned work to examine various types of data involved in Digital Health, and how these data can be more effectively and efficiently shared so as to achieve population health goals that are enabled by improved public-private collaborations.

Outreach

ABAC continued to strengthen its interaction and engagement with APEC Ministers, Senior Officials and APEC fora, including through the annual ABAC-SOM Dialogue and a stronger presence in APEC meetings.

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 the 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	GDP	Gross Domestic Product
ABTC	APEC Business Travel Card	HL7	Health Level Seven
AI	Artificial Intelligence	HLPDWE	High-Level Policy Dialogue on Women and the Economy
APEC	Asia-Pacific Economic Cooperation	IATA	International Air Transport Association
APFF	Asia-Pacific Financial Forum	ICC	International Chamber of Commerce
APFIF	Asia-Pacific Financial Inclusion Forum	LC	Letter of Credit
APIP	Asia-Pacific Infrastructure Partnership	MLETR	Model Law on Electronic Transferable Records
ASEAN BAC	Association of Southeast Asian Nations Business Advisory Council	MNE	Multinational Enterprise
B2B	Business-to-Business	MRT	Ministers Responsible for Trade
B2G	Business-to-Government	MSME	Micro-, Small and Medium Enterprise
BEPS	Base Erosion and Profit Shifting	OECD	Organization for Economic Cooperation and Development
BL	Bill of Lading	RCEP	Regional Comprehensive Economic Partnership
CO	Certificate of Origin	SaMD	Software as a Medical Device
CO2	Carbon Dioxide	SFDN	Sustainable Finance Development Network
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	SFOM	Senior Finance Officials' Meeting
COVID-19	Coronavirus Disease of 2019	SGTraDex	Singapore Trade Data Exchange
DRFI	Disaster Risk Financing and Insurance Program	SME	Small and Medium Enterprise
DSI	Digital Standards Initiative	SOM	Senior Officials' Meeting
DTCN	Digital Trade Connect Network	STEM	Science, Technology, Engineering and Mathematics
eAWB	Electronic Airway Bill	UNCITRAL	United Nations Commission on International Trade Law
eBL	Electronic Bill of Lading	VCM	Voluntary Carbon Market
EV	Electric Vehicle	WEF	World Economic Forum
FDI	Foreign Direct Investment	WTO	World Trade Organization
FGD	Focus Group Discussion		
FTAAP	Free Trade Area of the Asia-Pacific		
G20	Group of 20		

ABAC Executive Director 2024

Luciano Paredes

Manager of Corporate Affairs
Foreign Trade Society of Peru (COMEXPERU)

Bartolomé Herrera 254
Lima 18-Perú
Tel: (51 1) 625 7700
Email: lparedes@comexperu.org.pe

APEC Business Advisory Council Secretariat

Antonio Basilio

Director

Evelyn Manaloto

Deputy Director

U1209-1210 Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City 1226 Philippines
Tel: (632) 8845 4564 / (632) 8843 6536
Email: abacsec@pfgc.ph
Website: <https://www2.abaconline.org>
Twitter/X: @APECBiz



www2.abaonline.org