

ABAC Statement on Connectivity

Connectivity is the lifeblood of regional economic integration, serving as the essential conduit for the transport of goods, services, data, people, and capital. We, the APEC Business Advisory Council (ABAC), represent the voice of the Asia-Pacific business community in calling for a reaffirmed commitment to the APEC Connectivity Blueprint (2015-2025) to build toward a "seamlessly and comprehensively connected and integrated Asia Pacific."

For the past decade, the Blueprint has been the strategic cornerstone for APEC's efforts to narrow development gaps and lay a robust foundation for regional prosperity. While we acknowledge the strides made in regional cohesion over the past decade, we recognize that economies' increased reliance on the digital economy and the need for resilient growth requires a renewed roadmap. We call on APEC Leaders to enhance and upgrade the APEC Connectivity Blueprint, aligning with the timely review by the APEC Policy Support Unit, so that it can meet the demands of the next decade while forging closer ties amongst APEC economies.

Recognizing these evolving global challenges, ABAC reestablished the Connectivity Working Group (CWG) this year with the aim of actively contributing to efforts to enhance connectivity in the Asia-Pacific region.

ABAC calls for decisive actions around the following three pillars:

1. Build more resilient physical networks

Continue to bridge physical distances by investing in traditional infrastructure that is resilient, and future-ready. This requires a holistic approach - strengthening water, land, and aviation connectivity, promoting multimodal transport connectivity to improve logistics efficiency, while enhancing cross-border personnel mobility - all are critical to achieving this outcome. This year, ABAC is prioritizing initiatives that call for accelerating the development of zero-carbon transportation and supporting infrastructure, including securing the necessary personnel, advancement of the construction of high-quality infrastructure with robust disaster resilience and long-term performance, ensuring that regional logistics are both efficient and environmentally responsible. Air connectivity is a practical enabler of trade, tourism, investment and supply-chain resilience. APEC should pursue progressive liberalization of air services through a phased, staged approach that expands passenger and cargo connectivity. Concurrently, it is essential to scale up financing for regionally integrated resilient infrastructure through blended finance and innovative co-investment mechanisms, thereby reducing physical bottlenecks and ensuring a seamless flow of people and legitimate goods across the Asia Pacific. At the same time, APEC economies should strengthen energy resilience, enhance regional energy cooperation, and diversify energy sources to reduce infrastructure vulnerability to energy supply and price shocks.

2. Advance interoperability and standards to support business connections

The seamless cohesion of systems, networks and institutions that underpin the commercial ecosystem of APEC economies - the "software" of connectivity – should continuously evolve into a more interoperable and data-driven regulatory environment to support the modern digital economy. We call for the development of a digital financial market ecosystem that reduces scams and fraud and promotes cross-border payment systems including QR code payments, to facilitate safe, secure and efficient commercial transactions. We also advocate for deeper collaboration on cross-border e-commerce and digital innovation, advancing paperless trade, and mutually aligned legal and technical standards to empower businesses and enhance trade efficiency. Simultaneously, it is imperative to strengthen institutional resilience through the implementation of sustainable infrastructure evaluation systems that align existing global standards within a coherent assessment

framework. A more coherent approach to cross-border trade rules would also support this goal. ABAC is updating its Supply Chain Resilience Toolkit to enhance resilience and visibility.

3. Foster closer people-to-people connections

The heart of connectivity, particularly for the business community, lies in the facilitation of the movement of people and ideas across borders. Business travel mobility, cross-border education, tourism facilitation and skilled labor mobility form the foundation of a cohesive Asia-Pacific community. APEC should enhance the significant, tangible value of the APEC Business Travel Card (ABTC) in facilitating business mobility and enhancing regional connectivity. Where applicable, we should continue to encourage APEC economies' uptake and acceptance of the ABTC, including the virtual card. To empower the next generation, it is essential to establish the proposed ABAC "APEC People-to-People Accelerator" to strengthen youth entrepreneurship networks, while promoting sharing of educational resources and joint training programs across the region. Furthermore, we call for deepening people-to-people ties by promoting cultural exchange initiatives to foster mutual understanding, learning and shared values. ABAC is preparing a volume featuring business stories from ABAC members highlighting common experiences and insights and the deep connections between businesspeople from different cultural backgrounds. By embracing the diverse perspectives and shared values of our region, we can build a more closely connected and cooperative regional economy.

We stand ready to partner with APEC economies to revitalize the connectivity agenda, striving together towards an open, dynamic, resilient, and peaceful Asia-Pacific community, ensuring that our collective efforts today secure a future of common prosperity for all.