

9 July 2026

His Excellency Li Lecheng

Chair, APEC Digital and AI Ministerial Meeting
Minister of Industry and Information Technology
People's Republic of China

Dear Minister Li,

As APEC advances the APEC AI Initiative under China's leadership of the 2026 Digital and AI Ministerial Meeting, the region has a unique opportunity to translate AI and emerging technologies into productivity, competitiveness, resilience, and inclusive growth. **The challenge for APEC is no longer technological innovation—it is enabling businesses economies to adopt, commercialize, and scale these technologies.**

While AI is moving rapidly from experimentation to deployment, driving demand for compute, digital infrastructure, and energy, advances in quantum technologies are creating transformative opportunities alongside new challenges. ABAC encourages Ministers to focus on four priorities: accelerating AI adoption; strengthening digital infrastructure and compute readiness; preparing for the quantum era; and ensuring coherence in digital trade rules, including for AI.

1. Accelerate AI Adoption across APEC

ABAC examined fourteen AI deployments across traditional industries in APEC and found that AI is reshaping these industries and delivering measurable gains in productivity, efficiency, resilience, and competitiveness.

The challenge is ensuring businesses of all sizes, across economies at all levels of readiness, can adopt and scale AI. Across economies, successful adoption depends less on the sophistication of the technology than on trusted data, enabling regulation, workforce capability, and inclusive access.

ABAC encourages Ministers to:

- Advance common data standards, modernize data legislation and promote diverse, representative datasets that reflect local, industrial, and cultural contexts.
- Establish predictable regulatory pathways for AI-enabled products and services and promote greater mutual recognition across economies.
- Invest in workforce upskilling and reskilling to support workforce transitions as AI reshapes roles and industries.
- Support micro-, small and medium enterprises (MSMEs) to adopt AI through targeted pilots, capacity building initiatives and shared digital infrastructure that lowers barriers to adoption.

2. Strengthening Digital Infrastructure and Compute Readiness

The AI economy is driving a step change in infrastructure requirements, moving beyond traditional cloud facilities toward AI-scale infrastructure, requiring unprecedented compute capacity, reliable

energy, connectivity and supporting infrastructure. As AI adoption accelerates, infrastructure readiness is becoming a key determinant of competitiveness, risking deepening digital divides by limiting business participation in some economies.

ABAC encourages Ministers to:

- Address the growing disconnect between traditional energy planning and the power demands of the digital economy. As AI-scale infrastructure expands, digital policy and energy planning need greater integration to ensure economies can secure the reliable, affordable and clean power required for compute-intensive growth.
- Develop a regional framework that helps economies assess readiness in compute capacity, data centers, and supporting energy systems, while identifying opportunities for greater regional cooperation and investment.
- Support investment in resilient, secure, and sustainable digital infrastructure through public-private collaboration.
- Promote regional cooperation that improves access to critical digital infrastructure and strengthens digital resilience.
- Integrate a specific Collective Action focused on creating an enabling environment for AI into the Aotearoa Plan of Action (APA) under the Five-Year Review.

3. Preparing Economies for the Quantum Era

Quantum technologies are emerging as a major frontier with significant economic and strategic implications. Combined with AI, they have the potential to transform finance, healthcare, manufacturing, logistics, communications, cybersecurity, and defense.

At the same time, quantum-enabled decryption threatens the cryptographic foundations of digital trade, finance and critical infrastructure. There is an urgent need to address post-quantum encryption capabilities. Greater predictability around standards, commercialization and deployment are needed to support investment and adoption for the benefit of all.

ABAC's 2026 Statement on Quantum (copy attached) calls on Ministers to:

- Advance regional cooperation on quantum readiness, including governance, standards, workforce development, research collaboration, and information sharing.
- Prioritize post-quantum cryptography within cybersecurity frameworks and critical infrastructure sectors, beginning with sector-wide quantum preparedness assessments.
- Support investment in quantum research, infrastructure, talent, and public-private-academic partnerships that accelerate commercialization while strengthening regional preparedness.
- Promote practical quantum applications through sector-wide government pilot initiatives that generate industry experience and practical case studies to improve predictability for investment and commercialization.

4. Modernize the Trade Rulebook for the Digital and AI Age

As trade becomes increasingly digital, fragmented digital trade rules, inconsistent data governance, rising online scams, fraud, and uneven payment systems are creating barriers to cross-border e-commerce, particularly for MSMEs. APEC can set a global benchmark by advancing coherent and interoperable digital trade rules.

ABAC encourages Ministers to:

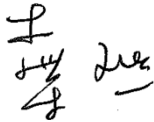
- Advance coherent and interoperable digital trade rules, including for AI, through the Free Trade Area of the Asia-Pacific Agenda and a new Collective Action under the APA focused on data governance, AI, cybersecurity, paperless trade, standards and digitally delivered services.
- Establish an APEC-wide prohibition on tariffs on digital products, and consider joining the Digital Economy Partnership Agreement and the World Trade Organization E-Commerce Agreement.
- Strengthen regional cooperation to combat online fraud and scams through interoperable policy approaches, cross-sector coordination, and timely information sharing to prevent, detect, and disrupt cross-border scam networks.
- Advance interoperable, secure, and resilient digital payment systems and MSME digital trade tools that improve market access, customs transparency, and cross-border commerce.

Seizing a Narrow Window of Opportunity

APEC is at an inflection point in the next wave of digital growth. The choices made over the next few years will determine whether APEC remains the world's leading region for digital innovation and investment or falls behind in the next wave of technological and economic transformation.

ABAC stands ready to partner with governments to turn these priorities into practical action.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Li Fanrong', with a horizontal line underneath.

Li Fanrong
ABAC Chair 2026



ABAC Statement on Quantum July 2026

The Quantum Opportunity

Quantum technologies are emerging as one of today's most important innovations. What was once considered a long-term research frontier is rapidly becoming a commercial reality. Quantum sensing, communications, and security are already seeing commercial deployment. At the same time, commercial-scale quantum computing is advancing faster than previously anticipated, with practical applications expected to begin emerging within the next five years. Quantum preparedness needs to begin now to meet the cybersecurity implications, with post-quantum cryptography (PQC) migration timelines expected as early as 2029.

If we want to shape the responsible development and governance of quantum computing and its application, we need to understand its potential and impacts, inform our societies and take action now.

The rapid acceleration of technology, including Artificial Intelligence (AI), creates an opportunity for APEC economies to consider and plan for the opportunities and disruption of quantum capabilities. Application of quantum technologies will have transformative impacts globally and on the APEC region, its peoples, communities, and businesses will have material near, medium, and longer term economic and strategic implications. Some estimates suggest quantum technologies could generate trillions of dollars in economic value globally by 2035¹.

Economies, businesses, and investors are increasing their investment in quantum, though this represents only a fraction of investment in other areas like AI, and they are beginning to focus on preparedness. But more needs to be done. Fragmented and rapidly evolving regulatory frameworks, standards and guidance on research and development, and application of quantum capabilities are emerging. There is a responsibility to utilize the power of this innovation and technological revolution for the benefit of all, and to ensure that it is sustainable. Economies will need to develop the governance, standards and approaches to mitigate potential risks of misuse.

Quantum technologies can be a key future enabler of trusted digital connectivity in our region, noting that current and foreseeable developments are significantly changing the risk and opportunity landscape for business, economies and societies more broadly.

Impact on industry, risk and infrastructure

ABAC acknowledges that many economies, as well as large and technologically advanced companies, may not yet fully understand how the quantum era will affect their operations, competitiveness, security posture and long-term resilience, or what practical steps are required to prepare. Nevertheless, quantum applications are expected to have significant impacts on finance, aerospace, automotive, data centers and energy, health and medicine, chemical, logistics and transport cybersecurity including cryptography, communications and defense industries.

The potential for quantum technology to compromise digital security poses a significant risk; there is an urgent need to address PQC. Economies and business leaders should focus their attention on developing PQC as a multi-year effort. Widely used encryption standards can be broken by a sufficiently powerful quantum computer, risking exposure of sensitive banking data, transactions and communications. Focused

¹ https://bit.ly/McKinseyReport_QuantumTechnologyMonitor

and timely efforts to integrate post-quantum cryptography within cybersecurity frameworks are essential to mitigate emerging quantum-related risks and ensure comprehensive data protection and operational resilience.

Quantum technologies are already being applied to accelerate or improve AI. It has the potential to help harness and analyze sparse data, or vast data sets, more efficiently and/or accurately to help solve problems. For example, computational compression can make AI less energy intensive. However, in the longer term, quantum technologies are also expected to be a disruptor to some of the design and utilization of the digital infrastructure used to build and enable AI.

Specialized cloud and data center infrastructure, as well as software-level integration with existing digital, cybersecurity and operational systems may be required. Quantum computing also depends on advanced hardware capabilities, including semi-conductor manufacturing, precision engineering, advanced packaging, cryogenic systems, photonics, and other enabling technologies. ABAC notes that APEC economies possess complementary strengths and capabilities across these critical hardware and supply chains.

APEC's Role in Cooperation and Responsible Deployment

APEC has a significant opportunity to lead greater regional cooperation on standards, ethical development and governance, workforce readiness, cybersecurity transition planning, and the responsible deployment of quantum technologies. APEC economies – including Australia, Canada, China, Japan, Korea, Singapore, Chinese Taipei and the United States– have already launched quantum strategies, including governance measures and guidelines for post-quantum regulation. Many of these economies are also investing heavily in research, talent, infrastructure, commercialization and cybersecurity preparedness. APEC is uniquely positioned to help economies navigate the opportunities and challenges of quantum technologies – including APEC's focus on AI and the interplay between these two technologies.

Enhancing predictability and reducing uncertainty will be essential to enable sustained investment, commercialization, and deployment. The emergence of scalable and applicable quantum technologies may vary significantly across economies and sectors based on a range of possible deployment scenarios, longer transition periods and uneven levels of readiness. Therefore, closer collaboration among economies, industry, and academia — including through pilot initiatives, the sharing of practical experiences, use cases and best practices, and cross-border cooperation — can help accelerate the transition from research to scalable industrial and societal applications.

APEC's role can include encouraging and supporting international cooperation, avoidance of duplication, interoperability and consensus, and preventing the adoption of conflicting approaches to governance. APEC's strength in delivering capacity building within the region can be leveraged to ensure that all economies are equipped to meet the challenges of developments in quantum technology and reap their benefits, while addressing risks, and adopting appropriate, consistent and responsible governance arrangements.

ABAC calls on APEC economies to focus on securing the digital economy, preparing people and businesses for transformation, and supporting practical deployment of quantum technologies to improve productivity, strengthen competitiveness and address major economic and societal challenges. ABAC recommends APEC economies:

- **Work towards adoption of appropriate governance arrangements**, including possible shared standards and regulation, seeking collaboration and cooperation in identifying opportunities and risks, and creating an enabling, responsible, interoperable, non-discriminatory policy environment for quantum. These measures protect privacy, trade secrets and intellectual property by promoting transparency, accountability, safety and security. ABAC encourages APEC to include quantum computing in a new Collective Action under the Five Year Review of the Aotearoa Plan of Action.

- **Encourage responsible innovation and development of quantum technology capabilities**, while prioritizing ethical considerations and removing unnecessary barriers by promoting trust, accountability, transparency.
- **Promote the development of practical quantum computing use cases by integrating quantum technologies into economy-level digital and innovation strategies**, including examining the potential impact of quantum technologies in leveraging and amplifying AI, and in sectors addressing complex societal and industrial challenges, in accordance with the circumstances and priorities of each economy.
- **Develop policy measures, shared evaluation frameworks, and industry engagement mechanisms** to reduce uncertainty regarding technological maturity, business value, and deployment pathways, thereby enabling informed investment and adoption decisions for quantum computing applications.
- **Establish long-term, coordinated policy frameworks and economy-level programs** that support the commercialization, deployment, and scaling of quantum computing solutions.
- **Create and support public-private-academic partnerships and pilot programs** to accelerate the transition of quantum computing from research environments to real-world industrial and societal applications.
- **Engage the public and stakeholders**, including diverse and representative voices, in discussion on the potential and risks of quantum, prioritizing quantum literacy, including informing communities on the need to move to PQC.
- **Support research into PQC within cybersecurity frameworks** and initiate strategic transition plans to quantum-resistant cryptography, along with developing frameworks to ensure the technology is harnessed securely when it becomes commercially viable.
- **Strengthen cross-border collaboration mechanisms**, including through the sharing of practical experiences, use cases, and best practices to enable scalable and practical quantum computing applications across the Asia-Pacific region.

ABAC's commitment:

Recognizing the significant contribution which quantum technologies could make towards achieving the APEC Putrajaya Vision goals for an open, dynamic, resilient and peaceful Asia-Pacific community by 2040, for the prosperity of all our people and future generations, **ABAC commits to a multi-year work program on quantum computing, across a number of workstreams, focused on:**

- **Sharing information** regarding quantum research, development and application with a particular focus on digital and financial security, data and privacy protection.
- **Sharing best practices** in quantum governance, regulation and interoperability, and on efforts and effectiveness of public stakeholder engagement on how quantum will impact business, economies and societies and how to prepare and harness the benefits, and mitigate the risk.
- **Sharing industry sector specific information** on potential applications, experience and risks, including issues such as quantum readiness and awareness, PQC, cybersecurity and resilience, innovation, commercialization, and talent development, business preparedness, investment certainty, workforce implications, digital trust, and supply chain resilience.