

APEC Business Advisory Council Begins 2001 Work at Scottsdale, Arizona Meeting

Scottsdale, Arizona February 14, 2001

The APEC Business Advisory Council (ABAC), the private sector arm of the Asia-Pacific Economic Cooperation (APEC) forum, held its first meeting of 2001 in Scottsdale, Arizona, February 14-17. ABAC launched its year under the theme: "Promoting Common Development through Capacity Building and Full Participation" and began work on the recommendations ABAC will submit to APEC Economic Leaders when both groups meet in Shanghai in October later this year.

This being the first ABAC meeting of APEC's China Year, US Secretary of State Colin Powell sent a message to the members and participants of the concurrent US APEC Business Forum held February 14. During the course of the meeting, ABAC members met with government officials and top business leaders in the U.S. At the Business Forum, presenters and participants explored such topics as the impact of the technology revolution, the outlook for industry in the Asia-Pacific, and a prediction of the state of financial services in the Asia Pacific in the year 2010.

ABAC comprises up to three senior business representatives from each of APEC's 21 member economies appointed by their respective heads of economy to advise APEC Economic Leaders on issues affecting business. The Council is chaired this year by Mr. Qin Xiao, Vice Chairman, China International Trust and Investment Corporation. In setting the scene for this year's work, Mr. Qin said that ABAC's work this year will be to ensure that APEC remains on track in continuing to liberalize trade and investment while strengthening its work in capacity building and full participation.

The work of the Council is managed through task forces, a committee and a caucus. This year, they will work in the areas of Trade and Investment, Finance, and Technology. In addition, the Action Plan Monitoring Committee will continue to track the progress of APEC's Individual Action Plans, the key tool for laying out the plans of APEC economies for trade and investment liberalization. As an indication of the vital role small and medium enterprises play in all economies, the already-existing Informal SME Caucus was formalized and more closely integrated into the work of ABAC.

These working-level groups will continue to refine their work program over the coming months. Nevertheless, work on several key themes was already begun at this Scottsdale meeting. Overall, ABAC will focus on ensuring implementation of its earlier recommendations as well as taking new initiatives. The Trade and Investment Task Force will push for a new round of the WTO, call for continuing simplification and harmonization of customs procedures and standards and conformance, and look for implementation of the APEC Food System. The Finance Task Force will build on last year's work on the adoption of internationally-accepted standards, capacity-building, and the international financial system.

It will also continue to explore development of domestic capital markets in the Asia-Pacific.

The Technology Task Force will build on earlier work in e-commerce readiness and seek to develop steps to reduce the "digital divide" among APEC economies. The Action Plan Monitoring Committee will monitor implementation of APEC's electronic Individual Action Plans, or e-IAP. The SME Caucus, which was raised to formal status, will identify major issues such as access to financing and information and communication technology and strengthening linkages with the SME ministerial meeting. Also, the Caucus will foster the expansion of strategic business partnership initiatives and examine best practices in the management, structure, and organization of government SME agencies in the region.

As in past years, ABAC's work will culminate in a report containing recommendations on ways to improve the business and investment climate in the APEC region and to help ensure that all in the region enjoy the benefits of globalization. ABAC will develop and refine these recommendations in subsequent meetings in Moscow and Singapore. ABAC will then present its recommendations in a report to APEC Economic Leaders when both groups meet in Shanghai, October 20-21.

To promote e-commerce in the region, ABAC signed a Joint Statement of Cooperation with the Global Business Dialogue on electronic commerce (GBDe) on February 17. The Joint Statement calls for coordinating the efforts and expertise of the two groups to address the digital divide.

ABAC's 2000 Report to APEC Leaders is available on the ABAC and APEC websites: <http://abaconline.org> and <http://www.apecsec.org.sg>.

Additional background information about ABAC is already available at that site. To order a bound volume of the ABAC Report, contact Mr. Luz as indicated below.

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