

The Honorable Tan Sri Muhyiddin Yassin

Chair, Asia-Pacific Economic Cooperation

Prime Minister of Malaysia

Kuala Lumpur, Malaysia

Honorable Prime Minister:

It is our privilege to submit the recommendations of the APEC Business Advisory Council (ABAC) this year to APEC Economic Leaders.

This is a pivotal moment in history; the unprecedented challenges we face require bold responses. The world faces the greatest health and economic crises of the last hundred years. Adding to the difficulty, we must try to overcome these obstacles in a world that is riskier, less stable and more divided than in decades. In responding, our greatest strength will be collaboration and cooperation – the hallmark of APEC for thirty years. Our collective efforts towards deeper regional economic integration have helped to lift millions out of poverty and improved the lives of many millions more. Continuing to work closely together will be key to APEC’s future prosperity, stability and wellbeing. By contrast, combatting COVID-19 will be enormously harder if we take a fragmented approach to policy and practice such as in reopening borders. Working collaboratively to reopen travel through risk-based border management will stimulate demand within and across economies.

In July, ABAC wrote to Ministers Responsible for Trade with our recommendations on how economies should respond to the immediate impacts of COVID-19. We have the honor now to present a more comprehensive report which looks to the future, and to the formidable task of economic rebuilding and revitalization. Drawing on the lessons of the pandemic, we share below our recommendations in relation to ABAC’s priorities for 2020 of Integration, Innovation, Inclusion and Sustainability.

“Integration”

Free and open trade and investment are key to a return to growth. However, the pandemic has brought massive disruptions to these flows. Global trade is forecast to fall substantially this year, and a lengthy recovery is predicted. This makes it all the more important to reject protectionist quick fixes: history has shown that closed markets and trade barriers only exacerbate economic contraction. Accordingly, we urge APEC Economic Leaders to prioritize pro-trade and pro-investment policies, including enhancing open, secure and stable supply chains. In this regard, ABAC believes that developing and realizing a Free Trade Area of the Asia-Pacific (FTAAP) has taken on greater significance to achieve substantial regional economic integration. ABAC also remains strongly committed to supporting the multilateral rules-based trading system, with the World Trade Organization (WTO) at its core. We underscore the importance of a well-functioning WTO and one that is credible, relevant and fit-for-purpose, reflecting evolving business needs and models. In July, we released a Statement outlining our recommendations to that end, including for resolving the unfinished business from the Doha Round, reviving the WTO appeals mechanism and making necessary reforms to the WTO’s operations and rulebook, for example in relation to e-commerce.

“Innovation”

The pandemic has dramatically demonstrated the importance of digital innovation and connectivity as well as the need for robust physical infrastructure and an enabling regulatory environment to underpin the digital economy. Societies have responded to the pandemic by moving their essential daily activities online wherever possible, but while this has helped to sustain communities, it has also highlighted the risks of a digital divide along geographic and socio-economic lines. We call on Leaders to ensure that digital

infrastructure, including broadband, is accessible even in underdeveloped areas; and that the regulatory and technological environment is open, non-discriminatory and coherent across APEC to enable innovation, interoperability and more rapid digitalization for all.

“Inclusion and Sustainability”

As we rebuild our economies post-pandemic, we must take the opportunity to address issues of more equitable sharing of the opportunities in and benefits of trade and regional prosperity, including by ensuring that micro, small and medium enterprises, women, indigenous communities and youth are not left behind. This will help to enhance our collective resilience.

There is also an urgent need to address sustainability. It is imperative that we take steps to reverse the dramatic decline in the health of our planet, avert crises and prepare for greater environmental challenges. This includes strengthening international cooperation to mitigate and adapt to climate change as a matter of urgency, and to foster the transition to a low-carbon economy, including by encouraging innovative solutions and the development and uptake of renewable energy.

Bringing the threads together: Shaping a new Vision

The pandemic has underscored the value of having a collective ‘Vision’ for the coming years, and has also given us some valuable lessons on the importance of including the concepts of resilience and cooperation in setting these goals. The effect of the COVID-19 shock has shown that free and open trade and investment are crucial to our individual and collective wellbeing, meaning that the FTAAP should be at the heart of the Vision. Further, the demonstrated benefits of collaboration through the pandemic point strongly to including the concept of an Asia-Pacific economic *community* – one which is both inclusive and actively seeks resilience. And finally, as part of our collective effort to ‘build back better’, we must seize the opportunity to make tackling climate change an explicit goal. All in all, APEC should ideally be a resilient, sustainable and seamless region in which it is as easy for all to work, live and do business in any one part of the region as any other.

How we respond to the health and economic consequences of the pandemic, collectively and individually, will have a far-reaching impact on the world for generations to come.

The responsibility to be decisive, to take immediate steps to recover and rebuild our region, also offers enormous opportunity – to act with forward thinking purpose, to create a better version of our region and ensure we are prepared for the future shocks which we know will inevitably come. There is the possibility to now deliver a more peaceful and prosperous region, as envisaged when APEC was created.

Yours sincerely,

**Dato' Rohana Tan Sri
Mahmood**
ABAC Chair
Chairman
RM Capital Partners

Mr. Richard von Appen
ABAC Co-Chair
Chairman
Inversiones Ultramar Ltda.

Ms. Rachel Taulelei
ABAC Co-Chair
Chief Executive Officer
Kono New Zealand

AUSTRALIA

Sir Rod Eddington AO

*Chair, Regional Economic
Integration Working Group*

Chairman

Asia Pacific Advisory Council

J.P. Morgan

Mr. Tom Harley

*Co-Chair, Finance & Economics
Working Group*

Managing Director

Dragoman

Mr. Robert Milliner

*Co-Chair, Digital & Innovation
Working Group*

Chairman

Australia Payments Council

BRUNEI DARUSSALAM

Ms. Hafimi bte Abdul Haadi

Chair, MSME &

Entrepreneurship Working Group

Director / Shareholder

LVK Group of Companies

Mr. Azaleen Haji Mustapha

Deputy CEO

Baiduri Bank

CANADA

Ms. Janet De Silva

*Co-Chair, Digital & Innovation
Working Group*

President & CEO

Toronto Region Board of

Trade

CHILE

Ms. Rosario Navarro

*Co-Chair, Digital & Innovation
Working Group*

Vice Chairwoman

SONDA S.A.

Mr. Alfonso Swett

Chairman

Confederation for Production
and Commerce of Chile (CPC)

CHINA

Mr. Ning Gaoning

Chair, Sustainable Development

Working Group

Chairman

Sinochem Group

Chemchina Group

Mr. Hu Houkun

*Co-Chair, Digital & Innovation
Working Group*

Deputy Chairman

Huawei Technologies Co.,

Ltd.

Mr. Liu Liange

*Co-Chair, Finance & Economics
Working Group*

Chairman

Bank of China, Ltd.

HONG KONG, CHINA

Dr. Jonathan K.S. Choi

Chairman

Sunwah Group

Ms. Marjorie Yang

Chairman

Esquel Group

Dr. Allan Zeman

Chairman

Lan Kwai Fong Group

INDONESIA

Mr. Anindya Bakrie

Chief Executive Officer

PT Bakrie & Brothers Tbk

Ms. Shinta W. Kamdani

Co-Chair, MSME &

Entrepreneurship Working Group

Owner & CEO

Sintesa Group

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

JAPAN

Dr. Nobuhiro Endo
*Co-Chair, Digital & Innovation
Working Group*
Chairman of the Board
NEC Corporation

Mr. Nobuhide Hayashi
*Chair, Finance & Economics
Working Group*
Senior Advisor
Mizuho Bank, Ltd.

Mr. Motomu Takahashi
*Co-Chair, Regional Economic
Integration Working Group*
Counselor
Mitsui & Co., Ltd.

KOREA

Mr. Keon Joon Ahn
President
Korea Venture Business
Association

Mr. Yongmaan Park
Chairman
Korea Chamber of Commerce
and Industry

Mr. Kyung Shik Sohn
Chairman
Korea Enterprises Federation

MALAYSIA

**Dato' Abdul Rahman
Ahmad**
Group Chief Executive
Officer
CIMB Group Holdings
Berhad

**Datuk Ruben Emir
Gnanalingam**
*Co-Chair, Sustainable Development
Working Group*
Group Managing Director
Westports Holdings Berhad

MEXICO

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

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

**Mr. John Anthony Santa
Maria**
Chief Executive Officer
Coca-Cola FEMSA

NEW ZEALAND

Mr. Malcolm Johns
*Co-Chair, MSME &
Entrepreneurship Working Group*
Chief Executive
Christchurch International
Airport Ltd.

Ms. Toni Moyes
*Co-Chair, Digital & Innovation
Working Group*
Head of International Markets
Sharesies

PAPUA NEW GUINEA

Mr. James Gore
Principal
Gore Consulting

Mr. Chey Scovell
Chief Executive Officer
Manufacturing Council of
PNG

Mr. Isikeli Taureka
Executive Manager
Newcrest Mining PNG

PERU

Mr. Alfonso Bustamante
Chief Executive Officer
Corporación Financiera de
Inversiones S.A.

Mr. Guillermo Ferreyros
*Co-Chair, MSME &
Entrepreneurship Working Group*
Director
Olympic Peru

Mrs. Julia Torreblanca
*Co-Chair, Sustainable Development
Working Group*
VP of Corporate Affairs
Sociedad Minera Cerro Verde

PHILIPPINES

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

Mr. Tomas I. Alcantara
Chairman & President
Alsons Consolidated
Resources, Inc.

Ms. Joanne de Asis
*Co-Chair, Finance & Economics
Working Group*
Chairperson
Globe Capital Partners

RUSSIAN FEDERATION

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

Mr. Kirill A. Dmitriev
Chief Executive Officer
Russian Direct Investment
Fund

Mr. Andrey L. Kostin
President & Chairman
VTB Bank PJSC

SINGAPORE

Mr. Goh Beng Kim
Co-Head, Client Coverage
Corporate, Commercial and
Institutional Banking,
Singapore
Standard Chartered Bank

Mr. Ho Meng Kit
*Co-Chair, Regional Economic
Integration Working Group*
Chief Executive Officer
Singapore Business
Federation

Ms. Teo Lay Lim
Senior Managing Director
Accenture Singapore

CHINESE TAIPEI

Dr. Ted Chang
Chief Technology Officer
Quanta Computer

Mr. Jason Chen
*Co-Chair, Digital & Innovation
Working Group*
Chairman & CEO
Acer Inc.

Mr. Jamie Lin
President, Taiwan Mobile
Group
Chairman & Partner,
AppWorks

THAILAND

Dr. Poj Aramwattananont
*Co-Chair, Sustainable Development
Working Group*
Vice Chairman
Board of Trade of Thailand

Mr. Kobsak Duangdee
Co-Chair, Finance & Economics
Working Group
Secretary-General
Thai Bankers Association

Dr. Nguyen Thanh Hung
Chairman
SOVICO Holdings

Mr. Supant Mongkolsuthree
Co-Chair, MSME &
Entrepreneurship Working Group
Chairman
The Federation of Thai
Industries

Dr. Vu Tien Loc
Chairman & President
Viet Nam Chamber of
Commerce and Industry

USA

Mr. Nathan Gatten
Co-Chair, Regional Economic
Integration Working Group
Senior Vice President – Global
Government Affairs
American Airlines

Ms. Peggy Johnson
Chair, Digital & Innovation
Working Group
Chief Executive Officer
Magic Leap

VIET NAM

Mr. Dang Thanh Tam
Chairman
Saigon Invest Group