



## The Chemical Industry Calls for Greater Regional Economic Integration

Dear APEC Ministers,

The undersigned associations (“APEC Chemical Associations”) collectively represent the chemical industry operating in, and based out of, the economies in the Asia Pacific Economic Cooperation forum (“APEC”). We write to seek a renewed APEC Ministers Meeting (“AMM”) commitment to advancing regional economic integration to strengthen the chemical sector in the Asia-Pacific. The chemical industry joins APEC member economies in promoting economic growth and job creation, driving innovation, and shaping a sustainable future for the Asia-Pacific.

We are the foundation of the global manufacturing industry; more than 96% of the world’s manufacturing supply chains – from automotive to aircraft, from consumer electronics to agriculture, from apparel to medicine, from mining to safe food products – depend on access to innovative and effective chemical inputs. The Asia-Pacific stands at the industry’s heart, representing more than 45 percent of the \$5.7 trillion global chemical manufacturing business (equivalent to 7 percent of global GDP). Moreover, the industry is a leading investor in global R&D spending – over \$51 billion total in 2017 – which helped drive more than \$40 billion in increased economic activity in the Asia-Pacific alone.

The industry’s increasingly central role to global supply chains also supports millions of jobs in the Asia-Pacific. Of the 120 million jobs supported by the global chemical industry, more than 69 percent of them – over 83 million – are in the Asia-Pacific. In fact, each job created in the chemical industry supports another six jobs elsewhere in the region. These jobs depend on a seamless and integrated regional economy in the Asia-Pacific. Every additional divergence and barrier to trade imposed on chemicals is a cost imposed on manufacturing supply chains and, ultimately, consumers.

APEC, and the Chemical Dialogue (“CD”) and its Virtual Working Groups (VWGs) in particular, play vital roles in mitigating these costs by advancing concrete outcomes that align regulations, resolve regulatory divergences, and reduce unnecessary barriers. Collaboration between industry and government in the CD drives a forward-thinking agenda unique amongst international fora. This collaboration contributes to a more coherent regulatory environment for chemicals in the Asia-Pacific,

promotes higher health, safety, and environment standards, and prevents barriers to trade. The CD's *Best Practice Principles in Chemical Regulation* provide a roadmap to building trust across borders and capacity towards adoption of best practices in risk-based chemical regulation. The CD's work on regulatory cooperation and convergence helps to increase transparency, reduce business uncertainties, and support greater innovation and safer technologies through promotion of the safe and sustainable use of chemicals.

We fully support the AMM's renewed commitment to work toward "APEC's goal of free and open trade and investment in the region," your recognition of "the importance of regulatory coherence and cooperation" in advancing that goal, and your "call for closer cooperation between government and the private sector in developing the regulatory and policy processes" to advance APEC's mission. These aspirations are at the very core of the CD's mission and work. We therefore pledge our continued commitment to advancing progress within APEC, through the critical work of the CD, and to ensuring that these goals are met.

*The following associations endorse this statement:*

- The American Chemistry Council (ACC)
- Accord Australasia
- La Asociación Gremial de Industriales Químicos de Chile (ASIQUIM)
- Chemistry Industry Association of Canada (CIAC)
- Responsible Care Indonesia & Federation of the Indonesian Chemical Industry (RCI, FIKI)
- Japan Chemical Industry Association (JCIA)
- Chemical Industries Council of Malaysia (CICM)
- Chemical Industries Association of the Philippines (SPIK)
- Singapore Chemical Industry Council (SCIC)
- The Federation of Thai Industries, Chemical Industry Club (FTI, CIC)

**Attachment A – ICCA Report: *The Global Chemical Industry: Catalyzing Growth and Addressing Our World's Sustainability Challenges***