



24 August 2019

**Ambassador Allan Wagner**  
Chair  
APEC Vision Group

Your Excellency,

I have the honor of writing to convey the views of the APEC Business Advisory Council (ABAC) on the important work being done by the APEC Vision Group in developing the “Post-2020 Vision” for the APEC region.

We thank you most warmly for the invitation for ABAC’s representative, Mr. Phil O’Reilly, who has led our own work on this topic, to attend the next APEC Vision Group meeting. Regrettably, he is not able to take part on this occasion. However, we set out below ABAC’s current thinking on the Vision, responding to the general direction of the AVG process as we understand it. We welcome the opportunity to remain closely engaged.

In short, ABAC believes that our region would be best served by a seamless, dynamic, resilient, inclusive and sustainable “Asia-Pacific economic community”, with the Free Trade Area of the Asia-Pacific as its foundation, and with people at its heart.

To unpack this idea a little further:

- we believe that an individual or firm should be able to connect, do business and find success with equal ease in any part of the region;
- economies must be capable of, and committed to improving, equity, inclusion and non-discrimination; and
- they must be supported by structurally-sound, responsive, predictable, business-friendly and innovation-friendly behind-the-border ecosystems.

We are more convinced than ever about the importance of these different elements, as we explain further below. While many are shared in the AVG’s current thinking, we would place a greater emphasis on some aspects than does the AVG (as we understand it), most notably on free and open trade including an eventual Free Trade Area of the Asia Pacific; sustainability including approaches to mitigate and to generate new opportunities in climate change as well as food and energy security; and an overarching concept, of the ‘Asia-Pacific economic community’, underscoring our collaborative, creative and collective ethos.

### *“Seamless”*

In recent years, our region has been faced with rising protectionism, trade frictions and very serious threats to the multilateral trading system. We have seen the short-term impacts of this on economic growth, on trade and investment flows and on business confidence, and the longer-term forecast is no less worrying; there can be no winners from these kinds of retrograde policies. Without the strong integrated economic base that predictable, stable open markets give us, our individual and collective ability to deliver on our other goals – be they sustainability, economic empowerment for the vulnerable, structural reform or technological innovation – is undermined.

We accordingly place this element first and foremost. If we are to deliver the sustainable and inclusive growth to which we all aspire, and to sustain prosperity in a rapidly-changing world, it is imperative that we assert in the strongest terms our renewed commitment to free and open markets for goods, services and investment, expressed through an eventual Free Trade Area of the Asia Pacific, and with an interwoven supporting network of policies and principles developed collaboratively by APEC economies. This is fundamental to the APEC business community.

To hasten progress towards this Vision, we believe that economies should make a final push fully to realize the Bogor Goals in the short term – but also that our ongoing work, particularly work that looks at behind-the-border barriers to trade and investment remains equally important.

We should seek to realize the Asia-Pacific economic community by 2030. This ten-year period is important both to give time for necessary preparatory work but also to provide business with a commercially-meaningful planning horizon.

### *“Dynamic”*

As we face the challenges of maturing global value chains, slower-than-expected growth in cross-border services trade, productivity challenges, and the unprecedented transformation of the way that we live, work and do business as a result of the digital revolution, the need for structurally-sound and business enabling economic policies and digital policies becomes more compelling.

Unilateral structural reforms and deep connectivity through the digital economy will also help to unlock our broader aspirations to ensure that the benefits of deeper regional economic integration are more widely shared within and across economies. Digital holds great potential to create dynamic new opportunities for many of our underserved groups, including MSMEs and women entrepreneurs, as well as developing and emerging economies and remote communities. Putting the right policies in place and investing in the necessary infrastructure to support it is key to this.

### *“Resilient”*

As our region, our communities, our businesses and our farmers and fishers are increasingly confronted with the mounting negative impacts of climate change and other environmental challenges, a reorientation of our policies and our ideas towards sustainability and resilience also becomes more compelling.

*“Sustainable and inclusive”*

While overall the region is relatively prosperous, it is also the case that micro, small and medium-sized enterprises, and women, still struggle to find success in business and trade. We are allowing our human capital to be short-changed. Economic empowerment of all members of our community must be our basic operating principle. Lifelong learning must also be part of our commitment to ensuring future-ready communities and workers, particularly in the face of rapidly evolving technology.

More broadly, the ability of our communities to grow is undercut when food security and energy security remain in doubt. Accordingly, the early implementation of robust policies that foster such outcomes – including the APEC Food System, and APEC’s ambitious targets for renewable energy and a low-carbon future – is critical.

*Asia-Pacific economic community*

Above all, we urge the AVG to set these elements in the context of the collaborative, creative and collective approach that has long been the distinguishing characteristic, and indeed the strength, of APEC. The phrase, “Asia-Pacific economic community” (small “e”, small “c”) to us seems to embody this concept very effectively: that is, that we are working together, with a high degree of trust, for a shared future in which our collective interest is underpinned and enabled by a strong, open, market-oriented economic foundation. We should not downplay the power of a “big idea”, especially at this time of turbulence and change in our region.

ABAC appreciates the opportunity to share our ideas with the AVG. We would strongly like to stay engaged as the process to refine and finalize the Vision continues.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. von Appen', with a stylized flourish at the end.

**Richard von Appen**  
ABAC Chair 2019