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ABAC PHILIPPINES MEDIA RELEASE

**Asia-Pacific business leaders call for business to focus on open trade and its adverse impacts**

20 March 2017 – Asia Pacific business leaders must communicate more effectively the benefits of globalization and address its adverse impacts, according to members of the APEC Business Advisory Council (ABAC) who met last February 19-23 for its first meeting in 2017 in Bangkok, Thailand.

ABAC reinforced the importance of ongoing regional and multilateral cooperation and collaboration among economies, which has facilitated stability and greater coordination of economic and social development amongst economies.

The world has recently undergone broad structural changes as a result of globalization and technological innovation and while the Asia-Pacific region has broadly benefitted from these shifts, the rate of change and economic integration has also contributed to income inequality, social dislocation, and discontent.

“As business leaders, we know that globalization and open trade and investment create wealth and have lifted millions out of poverty. Yet, much work remains to be done not only in communicating its benefits but more importantly, in ensuring these benefits are much more broadly shared and felt. The legitimate objectives of globalization, namely dismantling barriers to trade thereby allowing consumers access to better and cheaper products and services are laudable. But an equally important objective of globalization must center on enabling a more socially inclusive growth and development,” said Tomas Alcantara, the ABAC Philippines Chair. “We in business must work with our governments to develop policies that support continuing worker skill development and greater access to technology that enable for example, our MSMEs to produce competitive products and services and profitably offer them to established value chains and bigger markets.”

ABAC also strongly welcomes the entry into force of the World Trade Organization’s (WTO) Trade Facilitation Agreement (TFA), a new global agreement designed to help trade flow more freely will lower costs for business and help to raise living standards across the Asia-Pacific region. The Agreement was concluded by WTO Members at the Bali WTO Ministerial Meeting in 2013. Two-thirds of the WTO Membership must ratify the TFA before it can begin to be implemented, and that threshold has just been reached.

“Anything that facilitates trade and makes it less costly is certainly a welcome development. Consumers will benefit from more diverse, cheaper, and better quality goods,” said Mr. Alcantara. “Most importantly, the TFA should offer great opportunities especially for small firms and those from developing economies, to expand their participation in global markets by reducing red tape, costs and technical barriers to trade.”

WTO analysis suggests that the TFA will deliver substantial benefits: over the next 15 years, the implementation of the TFA is predicted to add around 2.7% per year to world export growth, and more than half a percent per year to world GDP growth. Full implementation of the TFA is estimated to reduce global trade costs by an average of 14.3%.

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Globally, trade liberalization has lifted more than a billion people out of poverty over the past three decades. Cooperation in the APEC region over the last 20 years has raised more than 700 million out of poverty, with GDP per capita increasing over 5 times. “The Asia-Pacific has benefitted from trade liberalization, making the region the most dynamic in the globe. By working cooperatively and proactively with governments and other stakeholders, we in business can play a critical role in mitigating the dislocation globalization may bring about, broaden the benefits of trade and thereby further enhance the region's growth prospects moving forward,” said Mr. Alcantara.

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*ABAC was created by APEC Leaders in 1995 to be the primary voice of business in APEC. Each economy has three members who are appointed by the respective Leaders. They meet four times a year in preparation for the presentation of their recommendations to the Leaders in a dialogue that is a key event in the annual Leaders Meeting.*

*Current members of ABAC Philippines are: Tomas Alcantara (Chair), Lance Gokongwei, and Joanne de Asis. Alternate members are: Guillermo Luz and Francis Chua.*

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