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FOR IMMEDIATE RELEASE

Business Leaders Sound Alarm on Global Economic Uncertainty: Call for Unified APEC Action

Brisbane, Australia, 25 February 2025 - Amidst rising global economic tension, the APEC Business Advisory Council met in Brisbane this week to reaffirm its support for the value of trade and cooperation, and the original APEC commitment to free, fair, open and rules-based trade.

Members expressed alarm at the escalating challenges posed by rising protectionism, regulatory complexity and other challenges including climate change, ageing populations, declining growth rates for member economies and the business environment. Global uncertainty impacts trade flows, business planning and investment decision-making. Now more than ever, business and government must come together for the benefit of all.

Economies must remain alert to emerging and disruptive technologies, including advancements in artificial intelligence and quantum computing, which offer both enormous promise and challenge to our economic development.

“We must also redouble our efforts to put in place tangible enabling solutions like paperless trade, trade facilitation, resilient supply chains and other tangible items that ABAC 2025 aims for,” said ABAC Chair 2025 H. S. Cho.

ABAC underscored the need for robust trade architecture, emphasizing that a strengthened WTO and the APEC vision for a Free Trade Area of the Asia-Pacific (FTAAP) are vital counterweights to economic fragmentation. ABAC believes that this is the way to ensure fair, mutually beneficial trade as economies navigate the challenges of digital transformation and the climate crisis.

ABAC has adopted an ambitious theme for the year: ‘Bridge. Business. Beyond’. The 2025 work program emphasizes the role of business in connecting policymakers and stakeholders across the region, driving innovative growth, and shared prosperity.

The ABAC work program is both visionary and practical. For example, ABAC is looking at how to use digital tools like AI to promote small-business formalization, create smart health systems, and tackle the carbon transition, including energy. Economies must also urgently address gaps in infrastructure investment for energy security, energy transition, and digital transformation.

ABAC wants to use the FTAAP process to drive quick progress on safer and more resilient supply chains, advance digital trade interoperability, and unlock green trade.

ABAC Philippines emphasized the critical need to enhance disaster resilience as an essential pillar of food security and sustainable economic growth within APEC. Speaking at the Sustainability Working Group, Mr. Guillermo Luz highlighted the region’s heightened exposure to natural hazards, which significantly disrupt food production and supply chains, and aggravate disparities in food availability and affordability. He pointed to the ASEAN Humanitarian Assistance (AHA) Center as a model for

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regional coordination and stressed the importance of greater private-sector involvement in resilience-building initiatives. He also cited the Philippine Disaster Resilience Foundation (PDRF)—a private-sector-led initiative that works closely with the government on preparedness, prevention, education, response, and recovery—as an approach that could be adapted in some APEC economies.

ABAC Philippines advocated for APEC to explore these structured disaster preparedness frameworks, strengthen public-private collaboration, and leverage financial instruments such as disaster insurance to mitigate economic shocks and reinforce long-term food security. "We need to share knowledge, experiences, and good practices in enhancing disaster resilience and food security," Mr. Luz said. "We can learn from the economies which are much better prepared from both the disaster resilience and food security point of view, and those of us in APEC who are weaker in these two categories can benefit a lot from this interaction."

ABAC remains committed to breaking down the barriers to women's economic success, including by being able to tap into the venture capital they need and by closing the gender pay gap.

ABAC will also develop recommendations to narrow the digital divide by using digital tools including AI, to support MSMEs to transition to the formal economy and access global markets.

On meeting the challenges posed by aging populations, rising healthcare costs, and inequities in accessing medical services, ABAC will be developing recommendations for innovative, inclusive and smart health care systems. This will incorporate sustainable financing mechanisms, advanced health care models and the integration of digital health tools to enhance accessibility, efficiency and resilience of healthcare systems.

To meet decarbonization goals amid rising electricity demand, ABAC will also develop recommendations to achieve a realistic and ambitious energy transition by utilizing advanced technologies to increase low carbon investments and expanding transition finance, supported by international cooperation and the development of low-carbon roadmaps.

In a series of dynamic discussions with APEC Senior Officials, ABAC members sought to align priorities to produce actionable recommendations for Leaders. "These discussions are the first of many interactions that we will have with policymakers and Ministers this year. We are keen to ensure that the business perspective is woven into key policy decisions," the Chair added.

Philippine Alternate Senior Official Director Marie Sherylyn Aquia of the Department of Trade and Industry advocated strengthening trade and digital transformation to drive inclusive growth across the region.

Dir. Aquia pushed for stronger APEC-ABAC collaboration to drive trade, investment, and digital transformation. She called on ABAC to take a more proactive role in helping MSMEs fully capitalize on free trade agreements (FTAs), pointing to persistently low utilization despite ongoing negotiations for high-quality agreements such as RCEP and CPTPP. She also urged ABAC to amplify the business voice in trade policy discussions to ensure MSMEs gain tangible benefits from these agreements.

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She also pressed for the immediate establishment of a harmonized governance and ethics framework for AI, emphasizing the urgency of regulatory alignment across APEC economies to ensure responsible and inclusive innovation.

The Chair expressed ABAC's deep gratitude to the Australian government, particularly to the Department of Foreign Affairs and Trade, for their support in hosting this meeting.

ABAC will reconvene in late April in Toronto, Canada, as it continues to develop its recommendations to achieve APEC's goals, for presentation to APEC Leaders during their summit in October in Korea.

APEC Member Economies: Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam.

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 their 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.

Under Korea's leadership, ABAC is pursuing a work program under the theme "Bridge. Business. Beyond." to respond to the challenge of maintaining the economic vitality of the Asia-Pacific Region and ensure it benefits all.

ABAC 2025 Chair is H.S. Cho (Korea) and the Co-Chairs are Julia Torreblanca (Peru) and (China), with five (5) working group chairs, namely: Anna Curzon, Regional Economic Integration Working Group (REIWG); Ning Gaoning, Sustainability Working Group (SWG); Michaela Browning, Finance and Economic Working Group (FEWG); Jan De Silva, AI and Digital Innovation Working Group (AIDIWG); and Kyubo Lee, Bio and Healthcare Working Group (BHWG).

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