

30 April 2025

The Honorable Inkyo Cheong

Chair, Meeting of APEC Ministers Responsible for Trade
Minister for Trade
Republic of Korea

Dear Minister Cheong,

The APEC Business Advisory Council (ABAC) is deeply concerned about the uncertain global trade and financial landscape which poses notable challenges to businesses, people, and the global economy.

Growing concern about the trading environment

The recent escalation of new tariffs adds to the complexities of existing trade barriers around our region. These policy shifts, along with heightened policy uncertainty, are contributing to broader impacts, including rising costs, trade and supply chain disruptions, limited choices for consumers, and cautious business planning, investment and innovation. In its April 2025 *World Economic Outlook*, the International Monetary Fund predicts that over the next two years, global GDP will be 0.8 percentage points lower than had been forecast in January 2025.

We are also concerned at what these developments mean for the multilateral trading system, with the World Trade Organization (WTO) as its core. The new tariffs undermine the principles that have underpinned the world's trading system – principles that have enabled our region to become the dynamic center of global economic growth. This position of strength is now at risk unless all economies look for a resolution that upholds and reinforces the WTO rulebook.

An urgent call for leadership and unity

ABAC urges Ministers to:

- Reassert their commitment to APEC's founding goals of free and open trade;
- Stand against unilateral measures that move us away from free, open, and rules-based trade;
- Take steps to stabilize the global trading system and affirm their support for the core WTO principles of predictable and non-discriminatory trade. APEC economies should act in a way that is fully consistent with the WTO rulebook; and
- Promote meaningful reforms to strengthen the WTO, including a fully functioning dispute settlement system and other outcomes that build confidence.

Bridge. Business. Beyond.

In addition to the critical points above, ABAC has developed a set of recommendations across a range of important topics. Our accompanying report provides further detail, but we would highlight the need for action on the following priority areas in particular:

- Making rapid progress on early deliverables under the Free Trade Area of the Asia-Pacific, including more resilient supply chains and maritime trade infrastructure;

- Boosting digital transformation, including through a new Centre of Excellence for Paperless Trade to build capacity for digitalization, and through more sustainable and responsible Artificial Intelligence (AI);
- Embracing greener economies through increasing transition financing and more coherent green trade via a new Green Trade Framework;
- Enabling health security through resilient healthcare supply chains, market access for innovative health solutions and advancing ‘regulatory reliance’; and
- Dismantling structural impediments to inclusion, including gender pay gaps.

Our theme this year is “Bridge. Business. Beyond”. It reflects our eagerness to partner with you to bridge divides, create a more coherent business environment and look beyond short-term challenges towards sustained, and sustainable, prosperity. We welcome the opportunity to discuss the concerns in this letter, along with the topics in our accompanying report, at your meeting in May.

Today’s choices will determine our region’s economic trajectory for generations. We urge you to choose the path of cooperation, integration and a thriving APEC community, just as APEC Leaders foresaw over 30 years ago.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'H. S. Cho', with a stylized flourish at the end.

H. S. Cho
ABAC Chair 2025