



**APEC BUSINESS ADVISORY COUNCIL  
FOURTH MEETING, BEIJING, 8-10 NOVEMBER 2014**

**REPORT TO NEW ZEALAND BUSINESS**

**SUMMARY**

1. ABAC's fourth and final meeting for 2014 was held in Beijing 8-10 November, the highlight of which was the annual meeting with APEC Leaders to brief them on ABAC's key recommendations for improving the business environment in the region. The ABAC meeting wrapped up its 2014 work programme and set the priorities for 2015 under ABAC Philippines' chairmanship. Among the key deliverables from the ABAC meeting was the support shown for China's advocacy of a work plan to achieve the Free Trade Area of the Asia Pacific (FTAAP) and presentation of a major research report on barriers impacting on foreign direct investment in seven services sectors. The NZ China Council helped to co-ordinate arrangements for a 23-strong high level New Zealand business delegation, which attended the APEC CEO Summit and associated events.

**REPORT**

2. ABAC New Zealand members Wayne Boyd, Tony Nowell and Katherine Rich, supported by Stephen Jacobi (Alternate Member) attended ABAC's final meeting for 2014 hosted by ABAC China. APEC Leaders, Ministers and senior officials were meeting concurrently as part of the APEC Leaders' Week. In addition to the ABAC-Leader's Dialogue, there were a number of other significant events including meetings of TPP Ministers and Leaders and the APEC CEO Summit, the latter attended by the largest New Zealand delegation for some time (if not ever).

***Liberalizing trade and investment***

3. ABAC's annual report to APEC Economic Leaders shows strong support for China's proposals to initiate a work programme for achieving FTAAP. This initiative was hotly contested within APEC with reluctance on the part of the United States and others to endorse a feasibility study or a firm deadline, which might frustrate efforts to conclude TPP. In the event the Chinese were able to obtain agreement for a "collective strategic study" which will be presented to Leaders by the end of 2016. While a long way short of first steps towards a negotiation, the Chinese nevertheless have managed to establish their own leadership over the FTAAP initiative, which provides an important bigger picture of freer trade and investment amongst the 21 members of APEC for which other initiatives like TPP and RCEP are important pathways. At the ABAC meeting Dr Deborah Elms from the Asian Trade Center in Singapore was able to present her views on FTAAP and TPP and talk about TPP "as a living agreement".
4. A comprehensive report prepared for ABAC on "Accelerating Services Investment in APEC" by the USC Marshall School of Business showed there are significant impediments to FDI in the seven services sectors under review. The research looked at container port services, trucking, retail and restaurant services, telecom and broadband, software, platform and cloud services, life insurance and accounting. The research incorporates the views of 368 business executives and is available on request.

5. ABAC also remains committed to seeking the removal of barriers to trade in services, improved labour mobility in the APEC region and the continued pursuit of supply chain improvements, including by promoting the adoption of global data standards. New Zealand's global data standards initiative is well integrated into the APEC agenda. Next year ABAC will work with APEC to establish pilot projects in a number of sectors and will continue to provide advice and best practice examples to officials.
6. New Zealand's Tony Nowell has chaired ABAC's Regional Economic Integration Working Group (REIWG) for the last six years. The Chair is passing to Australia's Sir Rod Eddington in 2015. ABAC Members expressed their deep appreciation for Tony's leadership on trade issues over a long period. Tony will continue to champion food issues within ABAC. Katherine Rich will join REIWG as a Co-Chair in 2015 to ensure New Zealand's continuing strong involvement.

### ***Towards sustainable development and food security***

7. ABAC is disappointed by the quality of private sector input into the APEC Policy Partnership on Food Security (PPFS) which is poorly attended by delegations other than New Zealand. Tony Nowell will lead a new initiative on behalf of ABAC seeking to strengthen the voice of the private sector in APEC food discussions by convening a 'Food Dialogue' meeting of industry representatives to discuss key food policy issues at ABAC I in January. Depending on the interest of the industry in gathering in this way it may be possible to explore the establishment of an APEC Food Advisory Group which would provide an important platform for the industry to access the ABAC channel of advice to Leaders and Ministers.
8. ABAC has focused attention on health issues in 2014 to highlight the connection between health and sustainable economic growth. This work will continue in 2015.

### ***Promoting Infrastructure and Connectivity***

9. Infrastructure and connectivity remain a key focus particularly as APEC moves to adopt an APEC Blueprint on Connectivity. Reports and tools to promote private sector investment in infrastructure were considered in Beijing. Results from a study on the strength and connectedness of value chains were presented and ways of promoting value chain resilience further discussed.

### ***Promoting SMEs and women's economic empowerment***

10. The ABAC Women's Forum held a dialogue with the Mulan Club, representing Chinese women entrepreneurs and continues to draw attention to women's advancement issues in APEC.
11. The ABAC sponsored APEC Framework for SMME Financing was presented to Finance Ministers in October and presented at ABAC IV. ABAC is continuing to promote the APEC Open Innovation Platform to facilitate cutting-edge technology development and dissemination for SMMEs throughout the region. ABAC NZ welcomes the opportunity this gives to co-operate with KiwiNet and to profile New Zealand technology and is grateful for the efforts of Peter Lai in this area.

### ***Ensuring the region's financial stability***

12. ABAC welcomed the outcomes of the ABAC-APEC Finance Ministers Dialogue held in Beijing 21-22 October. APEC Finance Ministers agreed to a number of ABAC recommendations, including a report from the Asia-Pacific Financial Forum (APFF) and the Asia Pacific Infrastructure Partnership (APIP). The focus is on financing solutions for

infrastructure development and the role that can be played by the private sector. Currency issues and the increasing use of the RMB also figure in the discussions.

13. New Zealand official Rory McLeod, who chairs APEC's Economic Committee joined the meeting to provide a briefing on the Committee's work especially in the area of structural reform.

#### ***ABAC Dialogue with Leaders***

14. At the ABAC Dialogue Tony Nowell moderated the discussion with Leaders from Canada, Papua New Guinea, Malaysia and the Leader's Representative from Chinese Taipei. Wayne Boyd accompanied Prime Minister Key in his session with the Leaders of Japan, Peru and Thailand. The Prime Minister spoke about the importance of FTAAP. Katherine Rich participated in a session with the Leaders of Indonesia, Korea, Singapore and the United States Trade Representative. Katherine asked President Park of Korea a question on food security.

#### ***APEC CEO Summit 2014***

15. Under the theme "Towards Resilience and Growth: Reshaping Priorities for Global Economy", the CEO Summit gathered over 1200 global business leaders, thought leaders and delegates from around the region, including 23 from New Zealand. Several Leaders from APEC economies addressed the CEO Summit including Prime Minister John Key whose remarks focused on the importance of the health of the global financial system. As well as attending the CEO Summit, delegates were briefed on China developments by NZTE Beijing and met over breakfast with the Prime Minister. A number from the delegation travelled on to Cheng Du with the Prime Minister's delegation. ABAC New Zealand is grateful for the support and assistance of the NZ China Council, NZTE and MFAT in making arrangements for the NZ delegation in Beijing.

#### ***Next meeting and further information***

16. The Philippines will chair APEC and ABAC in 2015. ABAC's theme for 2015 will be "Resilient, inclusive Growth – a fair deal for all".
17. Further information is available at [www.nzibf.co.nz](http://www.nzibf.co.nz) and [www.abaonline.org](http://www.abaonline.org). Copies of reports and studies mentioned in this report are available on request from Stephen Jacobi, [Stephen@jacobi.co.nz](mailto:Stephen@jacobi.co.nz).

**ABAC New Zealand  
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