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ABAC Statement on Artificial Intelligence November 2023

The potential transformative impacts of artificial intelligence (AI), both globally and on the APEC region, its peoples, communities and business are accelerating. ABAC recognises the contributions which AI is already making in important areas including [scientific discovery](#), [productivity](#) and [climate change](#), and the vast potential it has in helping to tackle the world's greatest challenges, including green development, alleviating poverty and increasing food security, solving significant health issues, and building strategic security. ABAC is also conscious that AI is an emerging technology and there is need to weigh opportunity, responsibility and security in considering how to develop AI and the appropriate governance and standards to harness the benefits and mitigate the potential risks.

ABAC acknowledges the significant contribution which AI could make towards achieving the APEC Putrajaya Vision goals for an open, dynamic, resilient and peaceful Asia-Pacific community by 2040, for the prosperity of all our people and future generations, and supporting progress towards achieving the UN Sustainable Development Goals (SDGs).

There is a responsibility to utilise the power of this innovation and technology revolution for the benefit of all and develop the governance, standards and approaches to mitigate potential risks of misuse.

The McKinsey Global Institute estimates that generative AI could potentially produce an annual incremental economic impact of USD 7.9 trillion, with total AI economic potential in the global economy registering at USD 25.6 trillion. The OECD estimates that venture capital investments in generative AI were USD 12 billion globally in the first half of 2023 alone.

ABAC acknowledges the health and education sector opportunities in particular.

ABAC's 2023 letter to Health Ministers highlights the opportunity to bridge the digital divide and promote equitable access to AI technology in healthcare. In addition we acknowledge the 2023 APEC Digital Health Forum and its important recommendations.

In education, ABAC recognises the enormous potential AI offers for delivering tailored or scaled services to promote learning and education and research. There will need to be consideration on how the education sector, across teaching and learning and related products and services, can best evolve with AI.

The transformative shifts arising from this rapid evolution of AI technological capability will be accompanied by uncertainties and possible risks, and will present a mounting challenge to trust in the digital economy. Issues related to consent, ethics, dual use, and transparency must be addressed to foster trust and usage of AI technologies. These include misinformation and disinformation from synthetic content, perpetuation of biases in training data and explainability, challenges to intellectual property rights, impacts on the labour market, privacy, security, and surveillance.

APEC is committed to efforts to bridge the digital divide and build capacity, inclusion and interoperability. ABAC encourages Leaders and stakeholders to consider the opportunities and challenges of AI and its potential impacts on already marginalised or disadvantaged groups, MSMEs, and those in the informal sector, and to consider ways to address capacity, knowledge and infrastructure needs.

Rapid advancement of AI tools, coupled with substantial investments and their widespread adoption, necessitates proactive, concerted and collaborative policy responses globally. APEC policy makers and stakeholders must determine what those responses should be for the region, to minimise risk and ensure

safety while enabling innovation. Equally, APEC has a role to play in preventing a fragmented approach to AI regulation. Investment in research and development and increased cooperation, not just between economies but among all stakeholders, will help to identify, consider and mitigate these risks as the technology development, deployment and use evolves.

AI is one aspect of our broader work on digital transformation. Enhancing Digital Trust means building confidence in digital interactions, which are safe, secure, transparent, accountable and frictionless. It is built on three core pillars – people, governance and technology. Digital Trust is about empowering individuals and businesses to safely participate in the digital economy, advancing harmonised digital economy governance, and facilitating adoption of technology for trade and sustainability.

ABAC acknowledges existing work underway to build international frameworks of cooperation to address policy and governance challenges associated with the rapid development of AI, and generative AI in particular. ABAC has also surveyed APEC Member economy approaches to AI policy and governance and will undertake further work on regional responses. Some of the international developments include:

- The White House Voluntary Commitments, facilitated by the Biden Administration. 15 companies have signed on to the commitments focused on the safe, secure and transparent development of AI technology. This was further built upon by Executive Orders issued by the White House in November 2023 which aims to guide safe and responsible deployment of advanced AI technologies.
- China's Interim Administrative Measures for Generative Artificial Intelligence Services and Global AI Governance Initiative.
- In the Asia Pacific region, ASEAN has circulated a draft guide to AI ethics and governance for consideration by Ministers in January 2024.
- The G7 Hiroshima Process and work on international guiding principles and code of conduct for organizations developing advanced AI systems.
- The UK AI Safety Summit in November 2023 and Korea to host the next summit in early 2024.
- Establishment of the UN High Level Advisory Body on Artificial Intelligence

APEC can make a significant contribution to exploration of policy issues related to AI and possible international responses. Representing the fastest growing region of the world, as a consensus based forum of 21 diverse economies, including both the largest and some of the smaller economies of the world, with different experiences of AI to date, and a long history of collaboration on difficult policy challenges, APEC is well placed to take a role in future AI policy discussions. This includes encouraging and supporting international cooperation, avoidance of duplication and seeking interoperability and consensus rather than contributing to the noodle bowl of regulation and data policies, and preventing the adoption of conflicting approaches to governance. APEC's strength in delivering capacity building within the region can be leveraged to ensure that all economies are equipped to meet the challenges of AI technological developments and reap their benefits, while adopting appropriate, consistent and responsible governance arrangements.

ABAC has committed to a multi-year work plan to discuss AI development and governance approaches, to highlight and share best practices in harnessing AI and mitigating its risks, and to progress our shared APEC goals. We want to work in partnership with APEC policy makers and communities to that end.

ABAC CALLS ON APEC ECONOMIES TO:

- Encourage responsible innovation and development of AI technology and generative AI capabilities, prioritizing ethical considerations by promoting trust, fairness, accountability, transparency and respect for the principles of dignity and equality, removing unnecessary barriers and supporting research and development initiatives.
- Create an enabling, responsible, interoperable, non-discriminatory policy and governance environment for generative AI with appropriate guardrails through a framework that promotes transparency, explainability, accountability, safety and security; protects privacy, trade secrets and intellectual property; promotes fairness and reduces bias; and prepares for workforce transformations.
- Encourage policy and governance frameworks that are developed through multi-stakeholder processes with the involvement of diverse and representative voices.

- Promote open trade and data free flows with trust, and international standards where available, when formulating domestic AI regulations. Consult with stakeholders in order to avoid fragmentation of AI regulation and to promote interoperability of frameworks, competition and inclusion.
- Participate in international efforts for cooperation on responsible development of AI, including possible international frameworks for governance or regulation, providing input to policy discussions on specific topics where the region can provide expertise or in relation to best practice examples in operation within APEC economies.
- Monitor the impact of AI on the region and on individual economies, industries and work forces, including supporting policy and economic analysis as proposals emerge.
- Consult stakeholders in the region as international efforts move forward, to ensure support for cooperative initiatives, facilitate dialogue on emerging risks and risk mitigation strategies, and foster public private collaboration and input on regional priorities and circumstances.
- Provide capacity building programs to assist APEC economies in reaping the benefits of AI technology and adoption of appropriate governance arrangements as responsible development of AI evolves, while developing appropriate structural reform initiatives including skills development, to address necessary adaptation and transition of the labour force in affected industries.
- Include a meeting of Ministers Responsible for Digital Technology and Development of AI in the APEC annual calendar, acknowledging the importance of digital issues to all aspects of regional trade, investment and society. This ministerial could include an expert roundtable on AI developments and readiness, convened by ABAC's Digital and Innovation Working Group (including the AI Advisory Group that ABAC has proposed in its 2023 Report to APEC Economic Leaders).

ABAC
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