APEC Business Advisory Council

ABAC 2026

FTAAP as a critical strategy for resilience, opportunity and economic security

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The Ichma Statement on FTAAP 2024

- Reaffirms commitment to Putrajaya Vision 2040 and Aotearoa Plan of Action (APA)
- Affirms FTAAP should **promote regional trade and investment** – seeking to advance the APA
- Mandates ongoing work ("A Strengthened Process"):
    1) CTI workstream on FTA Convergence/Divergence and exploration of new areas, *inter alia* **Customs procedures**, investment, **digital trade**, competition policy, SOEs, labour, environment, IP, MSMEs
    2) Updating of RTA/FTA Information Sharing Mechanism Initiative, Capacity Building Needs Initiative
    3) Cross-fora collaboration
    4) Active involvement and closer collaboration with **ABAC**, PECC, APEC Study Centers Consortium
- Directs work on FTAAP via top-down and bottom-up strategies:
    - In the areas above, plus trade and: **digitalisation**, sustainability, **inclusivity**, **supply chain resilience**




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ABAC business priorities

Topic	Why is the topic a priority for ABAC?	Relevant ABAC work
Supply chains	The lifeblood of trade. COVID, Middle East conflict, climate disruption all offer important insights for resilience and flexibility; also need to enable rapid digitalization	**Supply Chain Toolkit; Maritime and trade infrastructure work; AI for trade facilitation**
Equal Pay	Gender pay gap undermines resilience and prosperity (equal pay could add $4.5 trillion to regional GDP) – businesses can help to level the playing field with the right tools	**Equal Pay Framework**
Paperless trade	A key enabler of trade flows, resilience, MSMEs, sustainability – but still not universal	**Paperless trade work; ACCEPT**
Food NTBs	NTBs add costs ($133b) and inhibit investment and innovation in food trade; also undermine food security and sustainability. Need to be fixed	**Food NTBs report; NTMs/NTBs Principles and Guidelines**
Open Skies	Cross-border aviation is a practical enabler of trade, tourism, investment, supply chains and connectivity – but policy settings/rules need to be more flexible and responsive to shocks	**Open Skies workstream**
Digital trade	Critical to modern business models and trade, but businesses face a “noodle bowl” of digital trade rules and rising protectionism and frictions	**New Services Agenda Model trade provisions Coherence/APA work**

The APA Review creates the potential for faster progress

ABAC Priority	Summary of relevant APA Collective Actions	Where can ABAC add value?
Supply chains	*Strengthen supply chain and infrastructure connectivity and resilience; address infrastructure gaps; more transparent regulatory environment; digitalisation*	**Share detail on what "strengthening supply chains" looks like from a business perspective; enhanced logistics resilience**
Equal Pay	*Advance gender equality and the economic empowerment of women, promote structural reform to remove barriers to economic participation*	**Wider uptake of the Equal Pay Framework would assist with structural reform to remove barriers to women's participation**
Paperless trade	*Work towards digitalisation of trade and border processes; encourage the development and uptake of new tech; promote the use of tech to facilitate trade*	**ACCEPT will provide critical capacity-building and upskilling to encourage the development and use of new tech**
Food NTBs	*Progress liberalisation of goods trade by reducing unnecessary barriers; improve transparency; ensure lasting food security, safety and improved nutrition by promoting agricultural and food trade, agricultural sustainability and innovation*	**Mechanisms to reduce unnecessary barriers, including application of the NTM Principles, capacity-building to meet food requirements, and fostering food trade for food security**
Open Skies	*Progress services liberalisation, facilitation and cooperation; address infrastructure gaps; promote safe cross-border people movement for tourism and aviation*	**Renewed Open Skies concept will add new impetus: modular liberalization**
Digital Trade	*Market-driven digital environment including promoting interoperability, adopting new and emerging tech, sharing best practices, promote competition and innovation, address barriers to an enabling, inclusive, open digital environment*	**Active work towards more coherent policy and regulatory settings for digital trade, in key areas including AI, quantum, cross-border data flows, interoperability**



Draft ABAC Statement

- Prioritise Bottom Up: Early harvest in key areas
  - ✓ supply chain resilience
  - ✓ equal pay
  - ✓ paperless trade
  - ✓ food NTBs
  - ✓ Open Skies
  - ✓ coherent digital trade rules
- Keep working on Top Down: Convergence
  - More **coherent trade architecture**:
    - Full implementation, modernization and expansion of high-quality comprehensive trade agreements (e.g. CPTPP, RCEP, PA) and thematic initiatives (e.g. digital, sustainability, inclusion, supply chains)
  - Enable **market diversification** and greater optionality:
    - Supported by access to information, streamlined regulation, capacity-building
- Inject a sense of urgency
  - Ask Ministers to report back on concrete progress

Recommendations

- Members to continue to champion FTAAP as a key strategy to create a more stable, resilient and accessible commercial environment;
- Members to advocate for two parallel and complementary approaches:
    - (i) prioritizing building from the bottom up with “early harvest” deliverables in the following areas: supply chain resilience, paperless trade, food NTBs, Open Skies, coherent digital trade rules, equal pay; and
    - (ii) continuing to pursue the top-down process (fully implementing, updating and expanding high-quality trade agreements and relevant thematic initiatives, and working towards convergence), and enabling market diversification;
    - (iii) And inject a sense of urgency and accountability in the process
- Members to endorse the draft ABAC FTAAP Statement, subject to reaching agreement on drafting