



Annex E

The APEC Business Advisory Council

Founding and Structure

The APEC Business Advisory Council (ABAC) was created by the APEC Economic Leaders in November 1995 to provide advice on the implementation of the Osaka Action Agenda and on other specific business sector priorities, and to respond when the various APEC fora request information about business-related issues or to provide the business perspective on specific areas of cooperation. It is the sole non-governmental entity that has an official role in the APEC Economic Leaders' Meeting through a formal dialogue.

ABAC comprises of up to three members of the private sector from each economy. ABAC members are appointed by their respective Leaders, and represent a range of business sectors, including small and medium enterprises. The economy determines the term of membership of each appointee as well as its own administrative arrangements and staff support.

The ABAC Secretariat based in Manila, the Philippines serves all members and all economies and maintains a website. Funding is provided through a system of annual dues, which are structured to reflect the size of each economy, following the APEC formula.

ABAC in 2005

In 2005, Korea assumed the chairmanship of the Council, with Chile and Vietnam serving as co-chairs, following the APEC order. Co-chairs represent immediate past and future chairs.

ABAC adopted the theme "Networking Asia-Pacific: A Pathway to Common Prosperity" which addressed the following issues:

- Ensuring the successful conclusion of the WTO Doha Development Agenda (DDA) negotiations
- Keeping APEC on track to achieve the Bogor Goals
- Building a harmonious relationship between the private sector and government in the new international security environment

- Creating an environment conducive for business
- Achieving an Asia-Pacific community through cooperation and capacity building

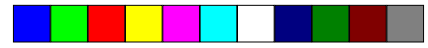
Consistent with the priorities of the ABAC Chair, ABAC established four working groups and a committee to carry forward its work during the year, namely:

- Capacity Building Working Group (CBWG)
- Finance Working Group (FWG)
- Trade and Investment Liberalization and Facilitation Working Group (TILFWG)
- Technology Working Group (TWG)
- Action Plan Monitoring Committee (APMC)

ABAC also established a Task Force on the Mid-Term Review (TFMTR) to assist the Council in developing its contributions to the mid-term stocktake of APEC's progress towards the Bogor Goals undertaken by APEC. In addition, it maintained the Communications Core Group (CCG) established in 2003 to pursue its communications outreach activities.

ABAC convened four meetings in 2005: Mexico City, Mexico (21-24 February); Beijing, China (10-13 May); Kuala Lumpur, Malaysia (31 July-3 August); and Busan, Korea (14-16 November). Two meetings of the Advisory Group on APEC Financial System Capacity Building were also held: Beijing, China (10 May); and Kuala Lumpur, Malaysia (3 August).

Recognizing the value of working closely with relevant APEC fora, ABAC actively participated in various APEC meetings and related events: SOM I and related meetings (Seoul, Korea: 22 February - 4 March); SOM II and related meetings (Jeju, Korea: 21 May - 31 May); SOM III and related meetings (Gyeongju, Korea: 5-14 September); Meeting of APEC Ministers Responsible for Trade (Jeju, Korea: 2-3 June); APEC Finance Ministers' Meeting (Jeju, Korea: 8-9 September); APEC SME Ministerial Meeting (Daegu, Korea: 1-2 September); APEC Task Force on Emergency Preparedness (Bali, Indonesia: 2-3



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May); The Second APEC Policy Dialogue: The Role of the Private Sector in Shifting from Informal to Formal Remittance Systems (Bangkok, Thailand: 26-27 May); Symposium on the Mid-term Stocktake of the Bogor Goals (Jeju, Korea: 27 May); APEC Technical Working Group Meeting (Gwangju, Korea: 16-18 June); the International Symposium on the Preparation for APEC Vietnam 2006 (Hanoi, Vietnam: 21-22 July); and APEC Symposium on Anti-Corruption and Transparency (Seoul, Korea: 1-2 September). ABAC also took part in the IAP peer reviews of Brunei Darussalam, Indonesia, Malaysia, Papua New Guinea, Philippines, Russian Federation and Vietnam held at the margins of SOM I. ABAC sent a high-level delegation to Geneva on 13-14 June to press for the successful conclusion of the WTO DDA negotiations.

Other events organized or participated in by ABAC included: Business Session on "The ABAC Experience for the Mexican CEO" (Mexico City, Mexico: 22 February); PECC Seminar on the Future of Pacific Cooperation (Jakarta, Indonesia: 8 April); ABAC Forum on Chinese Companies Going Global in the Background of APEC Regional Economic Cooperation (Beijing, China: 11 May); Developing Bond Markets in APEC: Toward Greater Public-Private Sector Regional Partnership (Tokyo, Japan: 21-22 June); Public-Private Sector Dialogue for the Asia-Pacific Region on "Cross-Border Implementation of Basel II and Emerging Regulatory Banking Supervisory Issues" (Kuala Lumpur, Malaysia: 4 August); PECC's 16th General Meeting (Seoul, Korea: 5-7 September); and Symposium on Corporate Governance and Transparency in Financial Institutions (Melbourne, Australia: 17-19 October).

In line with the precedent set during the past three years, ABAC developed and submitted an Interim Report to APEC Economic Leaders through the Meeting of APEC Ministers Responsible for Trade held in Jeju, Korea in June. The Interim Report elaborated on, and outlined recommendations on, trade and investment

issues covered under the 2005 work program. In addition, ABAC submitted separate reports and recommendations to the APEC Finance and SME Ministerial Meetings held in Jeju and Daegu, Korea, respectively, in September. It submitted its contribution to APEC's Mid-Term Stocktake of the Bogor Goals setting forth recommendations on how to keep APEC on track to achieve such goals.

Studies and Related Work

To support its work and deliberations, ABAC undertook a number of research studies and initiatives, to wit:

- Feasibility Study on Bold Reforms to Reinvigorate the APEC Trade Liberalization and Facilitation Agenda
- Measuring the Impact of the New Security Environment on Trade Transaction Costs
- APEC Customs Handbook
- ABAC Standards Research Project
- Study on volatile capital flows and trigger mechanisms

ABAC also continued to pursue an active communications outreach program aimed at increasing the level of awareness and appreciation of ABAC issues and activities within the business community in the region.

Future Work

ABAC remains fully committed to providing advice to APEC Leaders on business sector priorities and in pushing forward the APEC agenda on trade and investment liberalization and facilitation. Future work will focus on capacity building, strengthening financial systems, trade facilitation, the monitoring of APEC commitments and the implementation of the roadmap towards the Bogor Goals.

