

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.

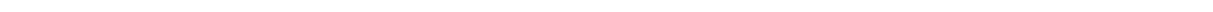
Our theme this year is “Bridge. Business. Beyond”. It reflects our eagerness to partner with you to bridge divides, create a more coherent business environment and look beyond short-term challenges towards sustained, and sustainable, prosperity. We welcome the opportunity to discuss the concerns in this 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', written in a cursive style.

**H. S. Cho**  
ABAC Chair 2025



**APEC Business Advisory Council**  
**Report to APEC Ministers Responsible for Trade**  
**May 2025**

The APEC Business Advisory Council (ABAC) has the honor to share the following priorities and recommendations on issues relating to trade and regional economic integration.

*Summary of ABAC's strategic priorities for regional prosperity*

Our report provides comprehensive recommendations across ABAC's broad and deep agenda of work this year. ABAC summarizes and highlights the following five key interconnected priorities:

1. **Current trade and financial disruptions strengthen the case for early Free Trade Area of the Asia-Pacific (FTAAP) deliverables**, including resilient supply chains and maritime trade infrastructure;
2. **Digital transformation is key to future competitiveness**, including by establishing a new Centre of Excellence for Paperless Trade to build capacity for digitalization and putting in place the enabling environment for sustainable and responsible artificial intelligence (AI);
3. **APEC must embrace greener economies**, including by addressing critical sustainable financing gaps and by adopting a new Greener Trade Framework;
4. **Health security is best delivered through free and open trade**, including policy settings that support resilient healthcare supply chains, unlock the commercialization of innovative pharmaceuticals and medical technologies, and support regulatory reliance; and
5. **APEC should continue to champion universal economic participation** by dismantling structural impediments facing women and micro-, small and medium-sized enterprises (MSMEs) – such as gender pay gaps, limited access to venture capital and obstacles to joining the formal economy.

*Championing robust, resilient and open economic architecture*

**Reaffirm commitment to free and open trade through a robust multilateral trading system:**

ABAC is concerned at the increasingly volatile global trade landscape. A growing number of tariffs, in addition to longstanding trade barriers of many kinds, are contributing to an unstable cycle that poses severe downside risks to businesses and the global economy. International organizations highlighted the impacts of trade tensions and heightened policy uncertainty on both global economic growth and trade flows. In its April 2025 *World Economic Outlook*, the International Monetary Fund predicts that these impacts will reduce global economic growth by 0.8 percentage points below its January 2025 forecast, with intensifying downside risks. The World Trade Organization (WTO)'s April 2025 forecast predicts that a worst-case tariff scenario would reduce global trade by 1.5 percent this year. Both the immediate consequences for supply chains and trade relationships, and the cascading effects on global markets, business confidence and the world economy, pose risks to jobs, living standards, inclusion and economic security.

ABAC is highly concerned at what these developments mean for the multilateral rules-based trading system, with the WTO as its core. These new tariffs raise concerns regarding compliance with the trade rules which have long underpinned business opportunities and economic prosperity. The rules-based trading system has enabled the region to become the dynamic center of global economic growth – but this is now at risk, unless all economies work collaboratively towards a resolution consistent with the rules.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Affirm their commitment to APEC’s founding goals** of free and open trade;
- **Promote multilateralism, equality, and free trade;**
- **Affirm their support for the core WTO principles** of predictable, transparent, non-discriminatory and rules-based trade; and
- **Act in a way that is fully consistent with WTO rules**, including with respect to the introduction of new tariffs.

**Lead efforts for a stronger and more relevant WTO:** It is critical that APEC demonstrate leadership and unity in seeking to preserve and strengthen economic institutions and architecture. It is within the power of WTO members to create the enforceable global trade rulebook that is needed to sustain prosperity while also tackling protectionism, the climate crisis and food insecurity, unlocking the benefits of digitalization, strengthening supply chain resilience and fostering inclusion. However, much work remains to be done to refine and update the existing rules and commitments to ensure that they remain fit for purpose, including the restoration of a fully functioning dispute settlement system and confidence-building reforms in other areas. APEC economies should be at the forefront of these efforts, leveraging our longstanding practices of cooperation and trade policy creativity to achieve ambitious outcomes at the 14<sup>th</sup> WTO Ministerial Conference in March 2026.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Work together to lead efforts on meaningful reforms** to strengthen the WTO and bolster its relevance, including working to reestablish a fully functioning dispute settlement system and establish a permanent E-Commerce Moratorium;
- **Champion plurilateral initiatives** as a practical way to make progress, including the successful conclusion and the participation of all APEC economies in open plurilateral initiatives, including the Investment Facilitation Agreement for Development and the E-Commerce Agreement under the WTO E-Commerce Joint Statement Initiative, and their integration into the WTO rulebook; and
- **Continue to support other WTO initiatives** focused on inclusion and sustainability.

**Make rapid progress towards the realization of FTAAP:** The case for robust, resilient and open regional economic architecture is more compelling than ever. Given the current upheaval in the global trading system, APEC should urgently leverage its long and mutually-beneficial history of cooperation to make rapid progress towards the realization of FTAAP. This would support economies’ efforts to diversify their markets and create opportunities for MSMEs. Consistent with the Ichma Statement, this can be achieved from the top down, through updating and expanding the Pathway Agreements and integrating ideas from innovative sectoral initiatives in the region on digital trade, sustainability, and inclusion; and from the bottom up, through working to deliver tangible early outcomes that will benefit businesses and communities.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Update and expand the Pathway Agreements** and integrate ideas from innovative sectoral initiatives in the region on digital trade, sustainability and inclusion; and
- **Achieve tangible “early harvest”** in the areas discussed below in this report, including on supply chains and trade infrastructure, paperless trade, interoperable and coherent services and digital trade rules, practical outcomes to empower women (including closing the gender pay gap and improving access to venture capital), and developing a Greener Trade Framework.

### *Facilitating trade, supply chains, innovation and investment*

**Ensure the stability of logistics infrastructure:** International logistics is the infrastructure that supports trade activities, but the disruptions and stagnation of the COVID-19 pandemic showed that it has inherent vulnerabilities. The challenges and weaknesses in logistics systems are diverse, including underdeveloped or aging infrastructure, negative effects of rising geopolitical risks, changing weather patterns and natural disasters. Addressing and accounting for these issues is essential to achieving a free, open, fair, transparent, and predictable trade and investment environment in the Asia-Pacific region, while ensuring seamless connectivity and a resilient supply chain.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Recognize the importance of maintaining a free, open, and stable maritime order** supported by the rule of law, ensuring the safety of maritime transportation which is essential for stability and predictability of international trade flows;
- **Investigate, identify and address vulnerabilities, bottlenecks, and chokepoints** in logistics infrastructure such as shipping routes, ports, airports, roads, and railways, which includes accelerating development of insufficient infrastructure or upgrading aged ones;
- **Ensure fair labor and operational environments for logistics workers and businesses**, which includes improving the working conditions of logistics personnel so that all employees, regardless of gender or race, can work safely and comfortably and ensuring fair business conditions for small and medium-sized logistics enterprises in alignment with WTO rules;
- **Establish a tailored system to enable the free and rapid international mobility of essential logistics personnel**, leveraging the APEC Business Travel Card framework; and
- **Promote the implementation of digital technologies** and strengthen cybersecurity measures for enhancing the safety and efficiency of logistic services, which includes the development of autonomous vehicles, vessels and logistics facilities as well as the establishment of legal frameworks for their societal implementation.

**Embrace renewed ambition for aviation services:** The Asia-Pacific is in the midst of an aviation boom following the disruption of the COVID-19 pandemic. Air services serve as virtual bridges supporting the flows of key economic activities between markets and facilitate links between businesses, economies and people – enabling world trade, investment, tourism, travel, and knowledge exchange among other economic activities. Air travel in the Asia-Pacific region has grown significantly over pre-COVID-19 levels. Passenger numbers have reached 5 billion – 103% of the 2019 level – and the region now accounts for 10.5% of global air traffic, up from 4.2% in 2019. However, more work can be done to fully realize the potential of a more integrated, connected and prosperous region.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Update and establish a new and ambitious vision for air connectivity** in APEC including encouraging Open Skies agreements to liberalize market access and drive economic growth throughout the region;
- **Harmonize regulations** to work towards safety, security, and environmental standards to facilitate easier market entry and reduce regulatory burdens;

- **Ease ownership restrictions** to reduce caps on foreign ownership and investment in domestic airlines to attract international capital and expertise, fostering greater competition and innovation; and
- **Incentivize liberalization** in the aviation sector by encouraging economies to take concrete steps towards reducing protectionist barriers and **fund APEC research** to map the state of air connectivity.

**Maintain resilient healthcare supply chains:** Trade Ministers can play a leading role in maintaining resilient healthcare supply chains through targeted efforts that improve preparedness and enable faster policy responses to future disruptions. Several APEC economies have already taken steps to map vulnerabilities and track supply availability, but greater coordination is needed.

To advance this work, ABAC encourages APEC Ministers Responsible for Trade to:

- **Establish regular information-sharing** among APEC economies on government-led healthcare supply chain monitoring initiatives, including domestic mapping and risk assessments;
- **Direct APEC economies to identify and align** on a core set of supply chain best practices or performance indicators – including bottlenecks, lead times, and inventory levels; and
- **Promote coordination with industry** by encouraging policymakers to work with the private sector to develop supply chain best practices and undertake monitoring initiatives.

**Facilitate market access for innovative medical and pharmaceutical solutions:** Facilitating market access for innovative medical and pharmaceutical solutions, including software-as-medical-devices (“SaMDs”), enhances patient outcomes and stimulates cross-border trade in medical goods and services. Investing in advanced manufacturing technologies enables industries to scale production efficiently, meeting rising demands while maintaining quality and gaining a competitive edge through speed, flexibility, and innovation. Within the framework of APEC, such initiatives foster stronger regional cooperation, encouraging knowledge-sharing and joint ventures that amplify these benefits across member economies. Breakthrough technologies also drive cost savings in healthcare, boost productivity, and stabilize economies amidst public health challenges, supporting global trade. Sustainable manufacturing practices further strengthen long-term trade relations by minimizing environmental impact, aligning with APEC's commitment to inclusive and environmentally responsible growth.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Prioritize efforts** aimed at facilitating market accessibility of breakthrough medical and pharmaceutical solutions while maintaining safety and efficacy; and
- **Advocate for manufacturing scalability** by promoting investments and exchange in advanced manufacturing technologies to meet demand within the region as well as globally.

**Advance regulatory reliance implementation:** Timely access to safe, effective, and high-quality medical products is critical for public health and economic resilience in the APEC region. Regulatory reliance – where authorities build on the assessments of trusted counterparts – reduces duplication, accelerates approvals, and optimizes regulatory resources. It supports trade, fosters innovation, and strengthens confidence among economies. Successful reliance practices are grounded in science-based decisions, transparency, mutual trust, and risk-based approaches. They should align with international standards while respecting domestic legal frameworks, enhancing both regulatory efficiency and preparedness for future health emergencies.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Champion regulatory reliance** as a strategic tool to facilitate trade, support innovation, and improve access to medical products;
- **Support the adoption** of WHO-recommended practices, including:
  - Establishing clear legal frameworks for reliance
  - Building institutional trust and formalizing cooperation agreements
  - Investing in regulatory capacity to assess and adapt external decisions; and
- **Promote regional collaboration** to exchange best practices and technical expertise, advancing practical reliance implementation across APEC.

### *Enabling seamless digital and services trade*

**Enable seamless digital trade:** The acceleration of digital trade and the increasing importance of seamless cross-border transactions require a robust and interoperable digital trade infrastructure. Policymakers must provide regulatory certainty for businesses to seize opportunities in the digital economy. APEC should work closely with businesses to mutually align and focus on the core issues and provisions necessary in digital trade agreements, to most optimally tackle businesses challenges and needs. By providing regulatory harmonization in the digital trade environment, businesses will be empowered to ensure optimal efficiency and keep costs low.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Utilize ABAC's policy paper on model provisions for digital trade agreements**, when completed, as a primary resource when establishing free trade agreements within and beyond APEC; and
- **Champion a permanent moratorium on tariffs on digital goods and services** within the APEC region, as a complement to the WTO E-Commerce Moratorium.

**Achieve universal, interoperable paperless trade:** To build confidence and foster more resilient and sustainable trade and supply chains, APEC economies must strengthen efforts to advance paperless trade, ensuring that businesses can benefit from reduced costs, increased efficiency, and improved market access. The establishment of an APEC Centre of Excellence (CoE) for Paperless Trade would serve as a platform to support businesses in implementation, operationalization, mobilization of resources and capability building. It would also serve as a knowledge-sharing hub and advocate for common digital trade standards and policy alignment. The CoE would complement ongoing APEC work on digital trade.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Endorse and support the establishment of an APEC Centre of Excellence for Paperless Trade** to advance the digitalization of trade processes;
- **Work constructively together to enhance regulatory coherence**, interoperability, and legal recognition of electronic trade documentation; and
- **Leverage the APEC Centre of Excellence to facilitate discussions and cooperation** on digital trade issues, and to support MSMEs in adopting paperless trade solutions.

**Establish a New Services Agenda:** Trade in digitally-deliverable services holds the key to driving productivity, job creation and the expansion of dynamic global value chains. These services are an engine for overall economic growth, and also have a powerful catalyzing influence on the ability of MSMEs to participate successfully in economic activity. Trade in digitally-deliverable services is expanding rapidly, particularly in intermediate services and artificial intelligence. However, trade barriers and regulatory fragmentation are also increasing. Following the conclusion of the current

APEC Services Competitiveness Framework, APEC should establish a New Services Agenda to ensure that the operating environment becomes more enabling. The New Services Agenda should encourage economies to work individually and collaboratively to identify and remove barriers to trade in digitally-delivered services; to build trust in digitally-deliverable services among businesses and consumers; to facilitate trade, including through structural reforms to domestic regulations and pursuit of greater coherence in and alignment around international standards; and to enhance the capacity of women, Indigenous entrepreneurs and other MSMEs with tailored support for digital skills and market readiness, and enhanced access to venture capital.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Establish a New Services Agenda** to reduce barriers to and increase participation in trade in digitally-delivered services, including action to drive regulatory coherence and adoption of international standards, and offer tailored support in digital skills, export readiness and improved access to financing in these sectors.

**Address online scams and fraud in APEC economies:** According to the Global State of Scams Report by the Global Anti-Scams Alliance, over USD 1.03 trillion was lost by people to scams across the world in 2024. Rapid growth in digital trade has expanded economic opportunities for MSMEs, entrepreneurs and large companies across APEC. However, the digitalization of commercial activity is accompanied by increased threats from online scams and fraudulent activities that undermine trust and hinder the full realization of digital trade's potential. Strengthening consumer confidence requires comprehensive, collaborative efforts across economies, involving governments, businesses, and consumer groups.

Effective responses to scams and frauds must include robust legal frameworks and sufficient funding and resources for law enforcement to implement those frameworks: consistent information-sharing and enforcement mechanisms across jurisdictions, appropriate incentives for businesses that take proactive steps to detect, prevent and mitigate scams; and public education to empower individuals to protect themselves from scams. Interoperable regulatory and policy frameworks to tackle scams and fraud provide clarity and assurance for businesses and consumers alike, creating a safer digital marketplace. APEC economies have an essential role in developing and promoting framework and best practices that reinforce legal certainty, transparency, and cooperation on cross-border enforcement and prevention.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Address the growing sophistication and cross-border scope of online scams** by facilitating stronger collaboration and intelligence sharing across relevant stakeholders, including relevant government agencies, financial services providers, technology firms, and consumer groups;
- **Establish robust legal frameworks** that explicitly criminalize scams and fraudulent online activities, while enhancing law enforcement capabilities and resources for effective enforcement actions;
- **Create appropriate mechanisms**, including Good Samaritan protections, to encourage businesses to proactively identify, prevent, and mitigate scams and fraudulent activities occurring both on and off their platforms and services; and
- **Invest in sustained and targeted public education** and awareness campaigns, in collaboration with industry, to equip consumers and businesses with the knowledge and tools needed to recognize, avoid, and respond effectively to scams and fraudulent activities.



## *Ensuring inclusive and sustainable economic integration*

**Bridge the gender wage gap:** Reducing the gender wage gap makes Asia-Pacific supply chains more robust, talent-rich, and globally competitive. Despite growing momentum for greater workplace equity, progress across the region remains sporadic and few APEC economies legally mandate or strongly encourage company-level pay-gap disclosure or remedy. Transparency powerfully drives change.

This year, ABAC will develop an Equal Pay Framework and Toolkit to support business, in particular MSMEs, to calculate gender pay-gap metrics and address discrepancies by refining promotion pipelines, benchmarking salaries, and curbing unconscious bias. By adopting this framework, businesses will gain a practical roadmap for strengthening workforce retention, productivity, and brand reputation in global value chains. Equitable pay practices reduce turnover costs and heighten innovation, position smaller firms to meet rising international standards for responsible business conduct. In applying the Framework, businesses will be able to better compete for cross-border partnerships, tap new markets, and reinforce the Asia-Pacific region's status as an attractive, future-focused trade and investment destination.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Leverage the economic and trade value of closing the gender pay gap**, recognizing that equitable pay is a driver of competitiveness and resilience in global value chains, and incorporate pay equity into Asia-Pacific growth strategies;
- **Endorse and facilitate widespread uptake of the ABAC Equal Pay Framework and Toolkit**, when it is completed, by adopting the voluntary framework as the region's principal standard for measuring and addressing wage disparities; and
- **Champion equal pay through policy reform and regional collaboration** that incentivizes fair remuneration practices, supports MSME development, and propels inclusive, sustainable trade and investment across the APEC region.

**Adopt a Greener Trade Framework:** Trade has the potential to serve as a critical tool in the climate response and to support the transition to low-carbon, nature-positive, and inclusive economies. However, coherent approaches to trade policy will be an essential precondition to achieving sustainability goals. A Greener Trade Framework, based on WTO-consistent principles, could serve to increase coherence in trade policy settings across the region, including for the liberalization and facilitation of greener trade, and the mitigation and rejection of green protectionism. Such a framework could help unlock commercial opportunities in and access to sustainable supply chains, environmental goods and services, renewable energy and clean technology, while also supporting Just Transitions, thereby benefiting people, prosperity, and the planet.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Establish a Greener Trade Framework**, based on a set of WTO-consistent principles and reflecting ABAC's Climate Leadership Principles of Reduction, Adaptation and Just Transitions, to effectively leverage trade in addressing the climate challenge and avoid all forms of green protectionism.

**Promote ambitious, realistic and just energy transitions:** As APEC economies advance toward a low-carbon future, it is imperative to pursue ambitious and realistic energy transitions that fully respect their diverse economic contexts and decarbonization pathways while rigorously addressing energy security imperatives and supply stability challenges. Meanwhile, these efforts must align with ABAC's Climate Leadership Principles – reduction, adaptation, and Just

Transitions – through phased infrastructure reconfiguration strategies. Such strategies should balance renewable energy deployment with context-specific transitional solutions, ensuring simultaneous progress toward three interdependent objectives: achieving climate targets, maintaining resilient energy systems, and safeguarding equitable outcomes for all communities across the Asia-Pacific region.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Continue to pursue emissions reductions**, including through the elimination of inefficient fossil fuel subsidies;
- **Further promote and expand the development, utilization, and trade of renewable energy**, green investments, and related infrastructure development through public-private partnerships; and
- **Enhance low-carbon investment** to minimize CO<sub>2</sub> emissions from fossil fuels, which economies rely on in the short term, and still be consistent with their low-carbon roadmaps.

**Enhance sustainable growth for the electric vehicle supply chain:** The rapid global adoption of electric vehicles (EVs) presents transformative opportunities, positioning the sector as a strategic investment avenue that drives economic growth and accelerates the transition to a sustainable low-carbon future. This industry-wide shift underscores a pivotal evolution in automotive manufacturing and energy systems. However, trade in EVs, EV components and inputs, and related services are increasingly facing trade barriers. An equitable trade framework for the electric vehicle ecosystem is needed to strengthen EV supply chains.

A coordinated effort will enable unimpeded cross-border flow of EV-related goods, services, and technologies, thereby accelerating regional supply chain integration and advancing the Asia-Pacific's leadership in sustainable mobility solutions aligned with the Putrajaya Vision 2040.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Eliminate tariffs and non-tariff barriers on critical electric vehicle (EV) components**, such as batteries and charging systems; and
- **Harmonize technical standards** across APEC economies to replace divergent domestic regulations.

**Continue to support sustainable, undistorted APEC food systems:** Nearly 10 percent of the global population already faces daily hunger, but food production is increasingly disrupted by more frequent and intense weather events. Sustainably produced food, and well-functioning food trade, have the collective potential to reduce greenhouse gas emissions, support food security by matching supply with demand, and create further opportunities for food producers. However, food trade remains significantly more distorted by tariffs, non-tariff barriers and distorting subsidies than trade in non-agricultural goods in the region. There are potentially significant benefits in adopting a coherent approach to sustainable food systems and food trade reform.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Advocate for a holistic approach** to agriculture trade reform, sustainable food production and food security;
- **Seek to reduce non-tariff barriers** affecting trade in food; and
- **Continue to champion ambitious outcomes** at the WTO on agriculture trade reform.

**Enhance disaster resilience:** Based on Bündnis Entwicklung Hilft's World Risk Index 2024, the APEC region is critically vulnerable to natural disasters, with 16 APEC economies garnering "very high" risk scores. Not only does this imply a high exposure to ever-worsening natural, human-induced disasters, such as typhoons, floods, earthquakes, and wildfires but also lack of capacity among APEC economies to withstand the effects of such disasters. In 2024 alone, MunichRe reported that the worst-affected APEC economies lost more than USD 135 billion in disaster-related events. Collective action is urgently needed to build the capacity of households, businesses, and governments to deal with disasters and, ultimately, enhance disaster resilience in the APEC region.

ABAC calls on APEC Ministers Responsible for Trade to:

- **Share knowledge, experiences, and good practices** in enhancing disaster resilience; and
- **Promote innovative measures for disaster resilience** in the APEC region, especially among developing members, by encouraging regional collaboration and private sector engagement.