

# **Executive Summary of Virtual Symposium on Promoting Connectivity in Asia Pacific towards a Future of Shared Prosperity and Sustainability**

On August 7, 2020, China National Committee for Pacific Economic Cooperation (CNCPEC) organized a virtual International Symposium on “Promoting Connectivity in Asia Pacific Towards a Future of Shared Prosperity and Sustainability”. The symposium looked into the progress made in the past few years, the challenges, and the future direction of connectivity. It was intended to facilitate the building of a seamlessly and comprehensively connected and integrated Asia Pacific, and provide intellectual inputs and policy recommendations to the ongoing midterm review of <APEC Connectivity Blueprint> (2015-2025), which was adopted by APEC economic leaders in Beijing in 2014.

Experts from the various PECC member committees and beyond including Australia, Canada, China, French Polynesia, Indonesia, Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, the United States, Viet Nam, and the PECC International Secretariat attended the symposium. Under the theme of “Promoting Connectivity in Asia Pacific Towards a Future of Shared Prosperity and Sustainability”, the participants discussed the following issues:

1. Physical connectivity: sharing experiences and exploring the future.
2. Institutional connectivity: sharing experiences and exploring the practicable ways of interconnecting various initiatives.
3. People-to-people connectivity: sharing experiences and exploring the practicable ways of interconnecting various initiatives.

After extensive and in-depth discussions on these issues, some ideas and views could be summarized as follows:

***I. Connectivity is not only one of the core agendas for APEC, but in a general sense, APEC cooperation is also all about connectivity.***

1. The participants noticed that connectivity has been an important agenda of APEC, since leaders approved the APEC Connectivity Framework in Bali in 2013, and endorsed the Blueprint in Beijing in 2014. To some extent, growing connectivity is the catalyst and propeller for APEC cooperation.

2. Participants strongly suggested APEC should actively implement the Blueprint in order to achieve its set targets and further unleash growth potential by 2025, especially by improving the review process and experience sharing mechanism, broadening the funding and partnerships of regional infrastructure building, strengthening the people-to-people connectivity.

3. Furthermore, some participants recommended connectivity should be high on the agenda of the post 2020 APEC Vision, as connectivity is essential to increase regional economic integration, promote free and open trade and investment, improve the quality of economic growth, contribute to shared prosperity, and enhance resilience of development. A better future APEC and extensive regional connectivity in the framework of APEC is highly expected by the region.

***II. The outbreak of Covid-19 pandemic has posed unprecedented global challenges that requires collective response. People in Asia Pacific region have realized that the whole world is closely connected, humanity is a community with a shared future and prosperity. More cooperation on connectivity in APEC region is highly desired in post pandemic era.***

1. The outbreak of COVID-19 shows that the whole world is closely connected, humanity is in fact a community with a shared future and prosperity. The participants observed the outbreak of Covid-19 has disrupted connectivity in many aspects such as

supply chains, flows of trade and people, etc and is causing huge human and economic costs in Asia Pacific region. Connectivity is all the more important and relevant in promoting the economic and social recovery. In the process of response to the challenge of the epidemic, participants suggested APEC economies increase mutual trust and to take more measures to facilitate people and goods flow, in order to alleviate the impact of Covid-19.

2. In post pandemic era, participants suggested APEC economies to achieve prosperity and people's welfare through connectivity, along with regional cooperation, market opening, regional integration, innovation inclusion, safe and sustainable growth. Participants agreed the recovery of regional industrial chain and the promotion of regional connectivity need solid cooperation of each economy.

3. Some participants provided some cases studies on the impacts of Covid-19 on specific areas in APEC region, such as cross-border personnel movement, trade, regional free trade arrangement and digital economy. .

4.The Business Travel Mobility: pre and post COVID-19 study looks into the impact of COVID-19 on business travel in both short term and long term, and concludes that business travel will be severely curtailed in the short term, but will pick up to pre-COVID level growth gradually. The study suggests re-opening travel: governments should exchange best practices and coordination in re-opening borders; business should instill confidence that travel is safe.

5. Participants agreed that APEC is at a critical juncture this year, of formulating post-2020 vision and set the direction for APEC cooperation beyond 2020. As the premier economic cooperation forum in the Asia-Pacific region, APEC has special responsibility to keep APEC cooperation in the right direction, promoting economic growth and improving people's wellbeing, and taking leadership in responding to COVID-29 and economic recovery in the Asia-Pacific region and world.

***III. Physical connectivity is generally improved in the past 4-5 years in APEC region, but still far from enough. Public-Private-Partnership (PPP) has increasingly played more important role in infrastructure projects. A better physical connectivity is highly desired by APEC economies.***

1. The participants agreed that within an economy or a region or even the whole world, the development level of the physical connectivity is the foundation of its economic development, and most supply chains still rely on physical infrastructures.

2. Participants highlighted the importance of quality infrastructure in the development of ports, roads and other public infrastructures. Transportation infrastructure with strong quality elements will ensure that the services being delivered are efficient, resilient and sustainable.

3. Participants noticed public investment has been quite inadequate, and the private sector has been reluctant to invest in the expensive high-risk construction phase of infrastructure projects. Therefore, PPP with projects are running efficiently and project risks are lowered are suggested. This needs a strategy that can combine public and private participation in project design, financing and operation.

4. Participants paid attention to the quality of physical connectivity, while admitted connectivity is important for economy and people in the Asia Pacific region.

***IV. Institutional connectivity should be strengthened in the field of trade facilitation, supply chain, customs procedures, standards and conformity, regulatory reform, digital flows and inclusiveness. It is essential to maintain the security and stability of global value chains in the Asia Pacific region.***

1. The participants noticed that within an economy or a region or even the whole world, the institutional connectivity reflects the efficiency of its economic governance.

2. Participants found weak institutional capacity, along with inadequate skills and inadequate financing, are the main constraints to improve connectivity. So, strengthening the coordination of trade and investment policies and related measures, simplifying market management procedures, and improving the efficiency of market operation are essential.

3. Under the current situation of pandemic, participants suggested APEC economies should carry out people-oriented institutional connectivity cooperation by taking practical and effective measures as soon as possible to mitigate the economic impact of the epidemic and solve the pressing problems and difficulties for the related industrial sectors, enterprises and vulnerable groups that are seriously affected.

***V. People-to-people connectivity is deeply affected by Covid-19 currently. In the long run, APEC should pay more attention to business travel mobility, cross-border students and professionals, and international tourism, in order to build an APEC community with shared prosperity and sustainability.***

1. The participants noticed that within an economy or a region or even the whole world, the people-to-people connectivity is the measurement of its economic vitality.

2. Participants agreed that business travel mobility is important to build entrepreneurship networks, such as face-to-face negotiation, physical inspection, etc. And so, it should be high on the connectivity agenda.

3. Participants acknowledged that cross-border study, and science, technology and innovation exchanges promote high quality innovation in the region. Regional cooperation in education will ensure the quality of education, and equip students with the skills and competencies required in a globally connected and competitive society.

4. Participants were generally satisfied that travel and tourism facilitation initiatives have been implemented to develop the tourism industry in APEC economies.

They emphasized the importance of tourism to post pandemic recovery to many regional economies, such as Thailand and French Polynesia.

***VI. Digital Connectivity has become more and more important in Asia Pacific. It relates not only a part of physical connectivity, but also people's life and equality.***

1. The participants noticed that with the deepening of the fourth industrial revolution, the Internet of things, big data applications, artificial intelligence and other new digital production and life styles, digital connectivity has become a must in everyone's daily life. Digital economy is a critical driving force for world economic growth, and it has and will continue to transform people's life and world economy in the future. Digital technology represents the future of world economy and has brought great opportunity and potential for enhancing connectivity. APEC member economies should take advantage of enabling technology to enhance regional connectivity.

2. Participants noted that that APEC economies have been actively developing their ICT infrastructure to support the development of digital economy and 'smart' infrastructure. Residents in APEC economies have experienced better internet connectivity as both the average fixed broadband subscriptions and proportion of individuals using the internet have increased.

3. Participants suggested high priority on digital connectivity should be given to rural and remote areas. This will bridge the digital divide and allow communities to be more resilient and sustainable.

4. Some participants thought current legal regimes, rules and norms have not kept pace with the revolution in digital trade. Some economies are struggling to protect privacy and safeguard cyber security.

5. In general, some participants recommended digital connectivity should not be a part of physical connectivity. It should be the fourth pillar with physical, institutional

and people-to-people pillars in APEC connectivity blueprint. This will make digital connectivity high in post 2020 APEC agenda.

***VII. The Participants have done their best to seek the largest common denominators and identify a prioritized list of key areas of connectivity cooperation. Some valuable recommendations for the implementation of the APEC Connectivity Blueprint (2015-2025) have been made.***

While it is not easy to converge their divergent priorities for connectivity, the participants made an attempt to seek common ground and make a generalized list of priority cooperation and suggestions on APEC connectivity work.

1. In general, connectivity should be high on the agenda of the Post-2020 APEC Vision. APEC should reorganize its structure on connectivity and pay more attention to connectivity cooperation, such as establishing a Committee on Connectivity (EC/CTI level), separating digital connectivity as APEC connectivity Blueprint's fourth pillar, etc. APEC should create some a big program, like AIIB to inspire its connectivity cooperation. APEC member economies should invest more in connectivity in post pandemic era, as the global economy is operating well below capacity, with extremely low interest rates. It remains essential to invest in efficient infrastructure and to involve the private sector.

In response to Covid-19, some innovative mechanisms were recommended, such as the establishment of a "fast track network" and "promotion of industrial chain connectivity", which could increase the full-capacity of production by business and economic recovery of APEC economies. Close political co-operation and open dialogue is essential for the recovery from pandemic.

2. Physical connectivity should be adapted and managed during the pandemic; goods have continued to flow, and trade has continued. Logistics facilities need to be modernized in order to facilitate growing demand from e-commerce as well as to ensure

secure trade. A smart and intelligent transport infrastructure system will help to reduce congestion and logistics costs as well as promote seamless connectivity.

In the post COVID-19 pandemic respond, PPP should become a more leading infrastructure investment operation. PPPs allow economies to share the risks across private and public entities more efficiently in addition to support the facilitation of more “bankable projects” that will be able to attract funding from global investors. But governments should make their investment environments more attractive for private sector, not only to refine their legislation, but also to issue some operational modes and guidelines.

3. On institutional connectivity, efforts should be made to find the intersection of regulatory connectivity and digital economy. APEC should find the common ground and internal connections between the APEC Connectivity Blueprint and the APEC Internet and Digital Economy Roadmap, so that the two cooperation programs could be implemented in a mutually reinforcing way.

4. On people-to-people connectivity, many proposals for facilitating people mobility have been suggested, such as visual education program, knowledge-sharing, ease visa restrictions for tourists, business mobility, etc.

5. On stakeholders’ engagement, APEC should make full use of its traditional institutional advantage, i.e. the tripartite involvement by government, business and civil society. As APEC’s observer, PECC can define an innovative strategy to improve connectivity for APEC. The strategy can outline the current opportunity for governments to take a leadership role to accelerate investment in economic infrastructure at very low cost.