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**Summary Report – Capacity Building Workshop on
Improving the Utilization of APEC Business Travel
Card 2021**



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14-15 September 2021



Summary Report

Capacity Building Workshop on Improving the Utilization of APEC Business Travel Card (ABTC)

14–15 September 2021, Bandung, Indonesia

The Capacity Building Workshop on Improving the Utilization of the APEC Business Travel Card (ABTC) was held in Bandung, Indonesia, on 14–15 September 2021. The initiative (BMG 01 2020A) was proposed under the Business Mobility Group (BMG) and co-sponsored by Chile, the People’s Republic of China, New Zealand, Papua New Guinea, and Viet Nam. A total of 185 participants from 21 member economies (approximately 51 percent female and 49 percent male) registered in the workshop. These participants were representatives from different groups consisting of policymakers, private sector workers, experts, researchers, and academia. Experts from the International Air Transport Association (IATA), private sectors (ABAC, Indonesia Chamber of Commerce, ExportNZ and ManufacturingNZ, Meat Industry Association-New Zealand), think tanks (Center for Strategic and International Studies-Indonesia), Research Institution (Washington Core, L.L.C), and Academia (Assumption University, Thailand) also participated in the workshop.

At the workshop, the participants reviewed current challenges on implementing the ABTC scheme and discussed how the ABTC could remain relevant during and post the pandemic. Participants also evaluated the approach in processing and verifying ABTC applications taken by members and some initiatives by the BMG to improve the ABTC and facilitating the movement of people in the region in the post-pandemic world.

The panels noted the importance of cross-border mobility in trade and economic growth and the negative impact of travel restrictions in the APEC region. They recommended that economies would need to find suitable solutions that allow safe resumption of international travel, such as ongoing efforts to establish international standards and norms and harmonized procedures including vaccines certification, recognition, and validation, among others.

In addition, the panels discussed ways to accelerate ABTC processing time, further refining the scheme and making it more user-friendly for business. They suggested some recommendations to improve the uptake and utilization of the ABTC and foster people mobility in the post-pandemic world: (i) Expediting and improving the application process by adopting advanced digital technology to simplify procedures and pre-clearance process; (ii) Strengthening ABTC data and network infrastructure

and improving system integrity and security towards a fully integrated travel passport; (iii) Expanding ABTC utilization and benefit by creating a “second-tier” visa card scheme for broader applicants including travelers from middle management of private companies, SME owners, and professionals; (iv) Standardizing health and safety protocols among economies and considering the addition of more features for the virtual ABTC, such as integrating a health passport, linking it for use in virtual e-wallet, etc; and, (v) Encouraging more economies to adopt the virtual ABTC and capacity-building activities to ensure successful practices of the virtual ABTC.

Opening

In his opening remarks, Mr. Farid Amir, Director for APEC and International Organizations Negotiations, on behalf of the Director General of International Trade Negotiations, Ministry of Trade, Indonesia, emphasized the role of the ABTC in facilitating business movement to foster business and investment opportunities that would positively contribute to job creation and economic growth. Mr. Farid cited the APEC Policy Support Unit (PSU) report on how the ABTC has reduced transaction costs by 38%, representing a total savings of USD 3.7 million from 2010 to 2011. Mr. Farid hoped that the workshop would provoke thoughts, action, and collaboration to facilitate safe cross-border travel and discuss a constructive way to improve ABTC utilization.

Afterward, Mr. Widodo Eka Tjahjana, Acting Director General of Immigration, Ministry of Law and Human Rights, Indonesia, conveyed his keynote speech. He highlighted the achievement of the ABTC as a showcase of the APEC in facilitating trade and investment. He added that the ABTC allows businesspeople to explore new business opportunities and help the region to grow. He then reiterated that Indonesia supported the virtual ABTC as an innovative method for traveling on business and transforming the scheme into the digital era, providing the much-valued service on cardholders’ mobile smart devices.

Session 1 Overview on the ABTC and Current Trends

In session 1, participants studied the impact of COVID-19 on cross-border travel, current trends of ABTC usage, and the prospect of post-pandemic overseas travel. The session was moderated by Dr. Yose Rizal Damuri, Head of the Department of Economics, Center for Strategic and International Studies (CSIS), Indonesia.

Mr. Emmanuel A. San Andres, APEC PSU, introduced the study of cross-border mobility in the APEC Region conducted in late 2020. He revealed that non-resident arrivals in the APEC region have grown around 4% per year, reaching 544 million arrivals in 2019. However, the border stringency measures taken by economies amidst the pandemic brought an immediate hit on the economy, and the drop in cross-border mobility also cost around \$500 to \$800 billion lost in trade and about \$1.2 trillion lost in economic output in the APEC region. The ABTC, on the other hand, was not designed with mass travel in mind. In 2019, about 380,000 ABTC holders represented approximately 0.1% of all the non-resident arrivals that year. This implied that there is a big opportunity to foster the utilization of the ABTC in facilitating cross-border travel in the region. He also suggested that economies need to harmonize standards and

transparency with border policies to promote safe cross-border travel in the post-pandemic era.

Ms. Younkyung Kim, from the International Air Transport Association (IATA), touched upon the enormous economic hit caused by the pandemic on the global air transport industry. She explained that the Asia Pacific region imposes the most rigid restrictions among other regions. Thus, until July 2021, the international traffic in the Asia Pacific had dropped at only around 5% comparing to its performance in 2019, making it the worst performer among other regions. For this reason, the IATA has been engaging economies in safely reopening borders by encouraging and advocating to replace quarantine with practical testing tools, adopting international standards of health certificates, and utilizing the IATA travel pass as a valid representation of test results and a proof of vaccination instead of a paper copy.

Mr. James Tetlow, a Senior Researcher from Washington CORE, L.L.C., provided an overview on the 2014 ABTC study conducted in 11 economies, covering a wide range of variables in terms of size, population, development status and location in both Asia and the Americas. The study also showed that each economy has its own approach for the applications process, typically about eight to nine steps, regardless of any notable differences between economies. Some economies such as Peru, Malaysia, and Indonesia required certification from industry associations, which also played a valuable role in assisting applicants' processes. He noted some of the notable challenges identified in the study included slow pre-clearance processing. Economies also indicated that communication through the ABTC System can be slow, non-responsive, or lack clear contact points, while card-printing issues were common. He then explained that some study recommendations had been implemented, such as capacity-building activities, performance monitoring, and online guidance for border officials. The expansion of ABTC uses and its eligibility is also being explored through discussions with PPWE to increase the adoption of women-led businesses and possibly allow use for leisure travel.

In the Q and A session, participants were aware of the difficulties of harmonizing health and safety protocols between two economies to reopen borders, let alone 21 economies. The lack of transparency, communication, and harmonization are the main factors in making travel very difficult. On the other hand, participants were also aware of cross-border mobility's benefits and eased the travel restrictions. In this regard, the panelist advised identifying opportunities where the risks were manageable. Perhaps, having a single vaccine certification system that every party recognizes could be a starting point to advance the dialogue.

Session 2: Lesson Learned from APEC Member Economies on Improving ABTC Utilization, including Challenges, Opportunities, and Best Practices

In Session 2, the panels shared their economies' experience regarding regulatory and policy approaches and aspects related to the ABTC application process (requirements, verification, and processing time), promotional strategies, technical and institutional challenges, and evaluation review mechanisms. The session was moderated by Ms. Netty Muharni, Assistant Deputy Minister for Regional and Sub-

Regional Economic Cooperation, Coordinating Ministry of Economic Affairs, Indonesia.

Mr. Myeongkyu Seo, Ministry of Justice, Korea, shared Korea's approach in the ABTC Scheme operations. He explained the shared responsibility between the Ministry of Justice and the Korea International Trade Association in processing ABTC applicants to lessen the burden of the immigration office. The fast pre-clearance processing time for foreigners in Korea is due to the efficient card system through public-private partnership and the development and integration of an advanced IT system.

Mr. Truong Trong Minh, from the Ministry of Public Security, Viet Nam, shared its domestic regulations and policies. He explained that board directors of state-owned enterprises, private sectors, and senior-level officials fall under ABTC criteria. An applicant from a member economy will require a recommendation from competent authorities for the pre-clearance process, which will take around 21 days to complete. Currently, Viet Nam is still reviewing the regulation on issuing the ABTC for business in response to new developments, including the consideration to transform to virtual ABTCs.

Mr. Wihadi Sutrisno, from the Ministry of Law and Human Rights, Indonesia, shared Indonesia's approach on the ABTC Scheme. He explained that Indonesia has been issuing ABTCs since May 1, 2004, which only Indonesian citizens can be given. The ABTC would be granted for senior government officials and top-level management of private holding companies. ABTC holders will have a special lane similar to diplomatic and official passports in several checkpoints and be treated as multiple visa holders for 60 days (not extendable). A large amount of ABTC processing is done manually. However, an online lodgment system is under development, so the applicants are not required to physically visit the premise for time efficiency and streamlining the process—Indonesia transitioned to virtual ABTCs on 1 July 2021. However, the virtual ABTC is yet to be known in the Indonesian business community due to the COVID-19 pandemic.

The last speaker of this session, Ms. Song Ying, ABTC Team of Ministry of Foreign Affairs, China, shared key factors on China's sharp increase in ABTC holders. China entered the ABTC Scheme in 2002, and currently, there are approximately 53,077 ABTC holders in China. This number is by far the biggest number of ABTC cardholders within one economy. She explained that China was one of the first economies to implement online lodgment for ABTC applications. The use of technology accelerates the pre-clearance process and streamlines the three-level review and management system implemented in China. She also added that China always maintains good cooperation with other economies to ensure timely processing.

In the discussion session, participants learned about different approaches and policy frameworks among economies and the various alternative systems used in the ABTC pre-clearance process. While China can print physical ABTC cards themselves, Indonesia, for instance, can not. These different approaches can lead to lengthy processing times for some economies. The adoption of advanced technology and innovation in the ABTC and the introduction of virtual ABTC is a welcome innovation

that could speed up the processing time and simplify the process. It is also noted that all economies have faced a significant slump in ABTC applications since 2020 because of the pandemic.

Session 3: What Businesses Expect from the ABTC

In session 3, speakers from the private sector shared their views on issues and opportunities related to cross-border travel using the ABTC. They talked about their experiences, challenges, and suggestions for the ABTC. This session was moderated by Dr. Yose Rizal Damuri, Head of the Department of Economics, Centre for Strategic and International Studies.

Ms. Catherine Beard, Executive Director of ExportNZ & ManufacturingNZ, New Zealand, relayed the views from New Zealand business travelers. According to Ms. Beard, the card is a valuable asset for them to reach overseas clients. However, the persistence challenge thus far is a lengthy processing time for both applying and renewal processes. She also lamented the lack of clear signage for immigration special lanes at airports. She suggested utilizing technology and welcoming the BMG to transform the physical card into a virtual one. She also hopes that the scheme could add more features, such as proof of vaccination, or mutually recognize health certificates for the future of cross-border travel.

Mr. Nicholas Ho from ABAC Hongkong-China also conveyed similar praise about the card. Mr. Ho stated that the business community is very desperate to get back to travel. Thus, he suggested that the ABTC could play its role with the already established infrastructures, background data, and company information to facilitate business travelers. He then pointed towards its importance for APEC in harmonizing standards of testing infrastructure and verification and validation on certified laboratories as a starting point to restart the cross-border travel safely.

Mr. Bernardino M. Vega, Vice Chair for International Relations, Indonesia Chamber of Commerce, shared the views with the previous speakers. He also mentioned the card's extensive renewal time and how it expires alongside the passport. He suggested adopting a similar mechanism by showing proof that the ABTC could adopt vaccinations implemented in Indonesia to standardize safety protocols among economies.

As the last speaker of this session, Ms. Sirma Karapeeva, Chief Executive Officer, Meat Industry Association, New Zealand, also shared the same perspectives with previous speakers on the significant role of the ABTC in reducing the cost of doing business. She shared the difficulties faced by businesses to stay afloat during these trying times. She also valued face-to-face meetings and active engagement with overseas clients, which a virtual arrangement could not replace. She then suggested adding vaccination passports into the scheme to support the borders' safe and seamless reopening.

In the Q and A session, participants learned that getting the card would be long and tedious. The value of the ABTC has made traveling within the region more accessible. It has reduced the time, complexity, and costs associated with numerous and frequent visa applications and hold-ups at the immigration lines. Secondly, there was a

consensus that a virtual ABTC could be an opportunity and the way forward for future travel in the digital era.

Session 4: Reopening Borders: Current Development and Future Engagement of ABTC in the post-COVID-19 Era

In session 4, participants discussed the opportunities and challenges of ABTC implementation with the resumption of international travel post-COVID19. Three officials from Australia, Chile, and Thailand shared their perspectives on how the ABTC Scheme can facilitate and support economic recovery, including discussions on the current development of virtual ABTC. This session was moderated by Ms. Kimberlee Stamatis, Convenor of the APEC Business Mobility Group.

Ms. Jessica Perez Flores from the Commissioner of Policía de Investigaciones de Chile explained Chile's border control, security operations, and mechanism. She shared that checking the validity of the documents and providing the data analysis in a short period to analyze any security threat is part of her responsibility at the border. ABTC has its special lane with established standard security procedures. However, the new virtual ABTC will force immigration officers to redevelop the already established border security control. She was curious about dealing with security and wondered if there was a study related to its implementation. She also wondered how to perform the process to validate the virtual ABTC at the border to identify any vulnerability, as in practice, processes might not be fully implemented to accept the virtual ABTC due to the pandemic.

Mr. Simon Harris, Acting Assistant Director of the North Asia and APEC Policy Section, Department of Home Affairs Australia and Australian BMG representatives, shared updates on BMG work and current developments of the ABTC Scheme. He explained that Australia hosts and manages the ABTC System which contains all the information for ABTC applicants and cardholders, securely and privately for fully participating APEC economies. Currently, the ABTC Scheme has around 350,000 active cardholders, which is down about 12% due to the significant impact of COVID-19. He then explained that nine economies have transitioned to virtual ABTCs, while several others are expected to transition soon. Economies can either fully transition to virtual ABTCs, like Australia with physical cards no longer printed or in use, or they can transition under a 'hybrid model', which offers both physical and virtual ABTCs. The virtual ABTC is directly linked to the ABTC System. Therefore, it gives the applicant/cardholder up-to-date information on their ABTC and its current status, including what pre-clearance they have and hopefully, soon, some prompts about when the applicant/cardholder might need to renew their ABTC. He then added that the BMG is fortunate to have begun digitizing the ABTC Scheme, with the introduction of the virtual ABTC, since before the pandemic. Nevertheless, the pandemic underscores the need and impetus and further strengthens the rationale to modernize and digitize the ABTC. He also shared the current BMG work in exploring the potential for the virtual ABTC to leverage existing platforms such as the mobile wallet, which can in this way therefore possibly link to vaccination certificates. Another initiative is the Online Lodgment Service; an initiative for all APEC economies. This will help economies with the automation and efficiencies of processing applications.

The last speaker of this session, Mr. Pratit Santiprabhob, Vice President for Information and Communication Technology, Assumption University of Thailand, shared a new initiative to increase the scheme uptake in the future. Realizing the strong correlation between people and business travel to economic growth, the BMG works on a second-tier card called APEC Frequent Travel Card (AFTC). The AFTC could facilitate a broader applicant pool that includes travellers from middle management of private companies, SME owners, and professionals, such as architects, engineers, scientists, researchers, healthcare professionals, and academics. However, these will be considered as higher-risk profile groups that will require additional security measures.

In the discussion session, participants learned that the long pre-clearance processing time is mainly due to a pre-clearance process for each economy to receive and process the application. The card will only be available once all economies approve (or decline) the pre-clearance. The introduction of virtual ABTC is expected to significantly reduce the timeframes for holders waiting for the pre-clearance process to use the ABTC, since it will take place in real-time. The BMG is extending the card to make it easier for women who are not generally in senior positions and other minority groups within APEC that may not be eligible in the criteria because of their position. The panels also reiterated that the ABTC is a visa that allows the cardholder to be considered a low-risk profile to enter an economy. With regards to future travel through the post-COVID-19 perspective, the ABTC holder might still need additional documents depending on the respective economy's health and safety protocols.

Session 5: Next Steps and Recommendation

In this final session, the discussants and participants discussed a set of recommendations drawn from the previous sessions. This session was moderated by Dr. Yose Rizal Damuri, Head of the Department of Economics, Centre for Strategic and International Studies.

Mr. Nicholas Ho suggested strengthening the ABTC data infrastructure network as an encrypted, secure, and trusted platform to host and facilitate the data for all business cardholders. Mr. Ho also envisioned that the virtual ABTC could be a fully integrated travel passport – not just visa-free, special lane, or official channels but can also be combined with different economies' digital passports or airport information integration.

Mr. Emmanuel A. San Andres presented the 2020 Mid-Term Review that the ABTC has significantly reduced pre-clearance processing times from around 115 days in 2006 to just, on average, 17 days in 2019, although that there is a wide variation among economies. He also suggested standardizing health protocols and deciding which mechanism is acceptable for everyone. He also emphasized that the ABTC only represented 0.1% of total airport arrivals in the region. Thus, the ABTC may be developed further as an instrumental element in driving economic growth and promoting cross-border and people mobility in the region.

Mr. Andi Setiawan, from the Ministry of Law and Human Rights, Indonesia, reminded that there are approximately 390,000 active ABTC holders in 2019, which

were only around 0.1% of all APEC travelers in the same years. This number has shown that since its inception in 1999, the utilization of the ABTC to facilitate business travel has not been as significant as it was intended. He also reiterated the issue of long processing time that has been discussed in almost all sessions. He then pointed out that the main challenge is creating a balance between travel facilitation and border security. Improving the border clearance for easing travel is vital to encourage people to travel between economies. On the other hand, securing the border is also essential to prevent unwanted or unauthorized travelers from entering the economies. The other main concern is the system operability between economies and the requirement of various data elements in different economies.

Mr. James Tetlow agreed with the previous speakers that the processing time remains a challenge, as stated in the 2014 study. Thus, the virtual ABTC may help resolve several of these issues. He added that it is also important to continue working with economies that may be slower to adopt the virtual ABTC. Capacity-building activities could also be explored for economies looking at successful practices. He also suggested integrating virtual health apps in the virtual ABTC. He recommended conducting an interim step, where each participating economy can put forward information about the data required for business travelers, such as tests, vaccine certificates, and other supporting information.

Closing

Mr. Farid Amir, Director for APEC and International Organizations Negotiations, Ministry of Trade, delivered the closing remarks. He stated that the workshop was very helpful in exploring ways to enhance awareness about different measures, technical and institutional challenges, evaluation, and review mechanisms related to the ABTC. He noted that the panels shared their valuable insights with the participants, provided many good suggestions, emphasized the important role of the ABTC in facilitating ease of access for business travel, and underscored the role of the ABTC in facilitating the pre- and post-pandemic cross-border travel. Mr. Farid also encouraged economies to discuss the potential establishment of travel bubbles and quarantine arrangements or mutual recognition of vaccination certification documents without undermining the global requirements set by ICAO and WHO. When the time is right, all these practical solutions would be the answer in facilitating seamless people-to-people connectivity in the region.