

APEC Business Travel Card

The importance of the Asia Pacific Gateway to Canada's trade with Pacific Rim countries cannot be overstated. Over the last several years, significant investment has been made into the Gateway with a view to increasing trade of goods and services between Canada and APEC countries. The recent announcement of a Free Trade Agreement with South Korea and potential conclusion of FTAs with India and Japan demonstrate Canada's overall commitment to increasing trade in the region. With the growth of business travel between member nations of the Asia-Pacific Economic Cooperation and our free trade partners, the increasing demand for qualified personnel and the growing scarcity of skilled personnel, there is an accelerating need for travel between Canada and other APEC member nations by executives, professionals and technical specialists.

Overview of ABTC

The APEC Business Travel Card (ABTC) allows members to enter and stay for 60-90 days (depending on the economy) without separately applying for a visa. An added benefit is "fast track" immigration lanes at airports. Unlike 19 full members of ABTC such as Australia, New Zealand and Singapore, Canada has elected to only be a transitional member of ABTC. Transitional membership has very limited benefits to facilitating trade and travel:

- Canadian ABTC members do not enjoy visa-free travel benefits offered to other ABTC members
- Foreign ABTC members are still subject to lengthy business visa requirements to enter Canada
- Canada does not issue ABTC cards or designate Canadian members

Canada has made some progress through implementing the ABTC pilot in 2013 to allow Canadian business travellers, who are both NEXUS and ABTC members, access to designated APEC lines for facilitated border clearance. Although this was a positive step forward, it has limited practical value and a much broader change in policy is needed to allow ABTC members to enter and stay for 60-90 days. More problematic for global investors and business partners, processing times for a Canadian visa can range significantly for nationals from APEC countries - 7 days for Indonesians to 38 days for Vietnamese. The variability of processing times serves as a major constraint on business travel and the positive relationships Canada is trying to build within APEC.

While a meaningful policy change will require appropriate risk management by the Government of Canada, the benefits to the business community and increase in Canada's GDP would far outweigh any incremental costs. From an immigration perspective, major risks will be mitigated by the strict controls established for foreign multi-nationals vouching for individual APEC Card members. It must also be recognized that, although it may presently appear that there is limited interest by the business community in the travel card, this would increase once the card is available and new opportunities materialize as Canada negotiates more free trade agreements with APEC countries.

Australia, one of the originators of the ABTC in 1997, has aggressively pursued access for business travellers. It has exhibited tight control of ABTC eligibility by requiring applicants to demonstrate frequent travel for business purposes and limiting issuance primarily to executives. The Australian model of implementing the ABTC is a huge success -- businesses have benefited from increased access to APEC markets. In 2014, it renewed and simplified its approach to the ABTC to validate employees and corporations in a simplified process to allow new members to join.

The current situation impedes the normal conduct of business between Canada and APEC member countries. The absence of the APTC card prevents Canadian businesses from attracting global investors and business partners - often with damaging effects on business relationships and Canada's reputation. There is a need for a solution that ensures qualified individuals know in advance that they will easily be able to enter APEC countries, while at the same time safeguarding our national security interests and the relationship with the United States on perimeter border security.

The free movement of executive, professional, and technical specialist personnel between Canada and other APEC member countries would be a desirable policy outcome. This is particularly important in light of reports that APEC is in negotiations with the European Union for recognition of the ABTC. Without full ABTC participation for Canada, our business travellers will not have the opportunity for faster border clearance as ABTC continues to grow.

Recommendation

That the federal government follow the Australian model to implement the APEC Business Travel Card, with eligibility criteria for businesses active in Canada-APEC region trade. Adopting in full the APEC Business Travel Card will help facilitate foreign business travellers to Canada, and allow Canadian businesses to access Asia-Pacific markets as easily as other ABTC nations.