



## ASIA-PACIFIC COUNCIL OF AMERICAN CHAMBERS OF COMMERCE

### *Plenary Panel: An APEC Agenda*

#### *“Perspectives from the Private Sector on Achieving APEC’S Inclusive Growth Goals”*

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Congratulations to the Asia Pacific Economic Cooperation (APEC) forum on your 20<sup>th</sup> anniversary. The world was a very different place in 1989, but the world in which we now live will be better served for having an experienced institution such as APEC up and running for the past two decades and ready to take on the challenges of the present and future.

I am honored to be invited by the Pacific Economic Cooperation Council (PECC) and the Singapore National Committee for Pacific Economic Cooperation (SINCPEC) as well as the Institute of Policy Studies (IPS) to participate in a conference with such a distinguished group of government and academic thought leaders, and to represent the Asia Pacific Council of American Chambers of Commerce (APCAC). The PECC is to be commended for providing forums like this one which will help to prepare the APEC leadership for its important meetings in November, and for its plans to continue this initiative through 2010 in Japan and in 2011 when the U.S. hosts APEC.

I thought that my contribution to this conference would be to suggest some ways that the private sector can help to build on the good work that is being done by APEC. I’d like to offer a few ideas intended to help expand the constituency supporting APEC’s agenda, especially its laudable goals for inclusive and sustainable growth.

My premise today is that all business organizations are resources that can be called upon to provide additional private sector support to the institutional channels to APEC to help APEC realize its goals. APEC can harness more support from the business community by solving some

of the practical problems that will help to build a broader consensus for APEC, and enable these goals to be achieved.

I want to tell you something about the business organization I have the honor to chair. The Asia Pacific Council of American Chambers of Commerce (APCAC), has been in existence in this region for 42 years, and has 27 chapters in 21 economies across Asia-Pacific. APCAC is the umbrella organization for the American Chambers of Commerce (known as AmChams) and represents the interests of more than ten thousand American businesses across the Asia Pacific region. AmChams are the voice of American business outside the U.S. APCAC has member chapters in more than half of the 21 APEC economies.

A variety of business organizations, including APCAC members, can do more to support APEC. The APEC Business Advisory Council (ABAC) has led the way as a mechanism to bridge the work of APEC policy makers and business leaders from the 21 member economies. Thanks to the work of ABAC, with its emphasis on deliverables, the business community is more involved with APEC than ever.

In the U.S, the National Center for APEC and the U.S. Chamber of Commerce are major channels for business community input. The U.S. Chamber of Commerce is able to do work that is global and analytical, such as identifying where more needs to be done to implement the policies of APEC. The U.S. Chamber of Commerce also works directly with some of the ABAC and APEC Subcommittees. A few examples include standards harmonization and intellectual property rights enforcement. The Chamber is coordinating with U.S. government agencies and American National Standards Institute to promote APEC goals of standards harmonization.

There are a number of APEC subcommittees, dealing with Customs issues, the APEC Automotive Dialogue and the APEC Life Sciences Forum which are other good examples where APEC is drawing in many views of industry to be fully engaged in their agendas and programs of work.

The AmChams that make up APCAC may be best able to provide input and support to APEC and its institutions by focusing on what needs to be done at the “ground level,” since their members are interacting with local governments and competing for sales of goods as well as services every day. AmChams in all APEC economies and those that are part of APCAC in particular, can and do help with some of the “behind-the-border” issues, such as regulatory reform. For example, APCAC/AmCham member companies are engaged in efforts to streamline Customs procedures in several APEC economies, including the Philippines and Japan.

AmChams also team up with local business organizations to support APEC's work. In August, AmCham Vietnam's Ho Chi Minh City chapter supported the Vietnam Chamber of Commerce and Industry (VCCI) which hosted a business dialog event with ABAC leaders in Da Nang. Such exchanges offer additional business insights to the ABAC process, and can serve to enlist the support of a broader business constituency for ABAC's work.

Other business chambers are also resources to extend APEC's reach. International and American businesses are looking with great interest at the possible expansion of the Trans-Pacific Partnership (TPP) beyond its original four members of Singapore, New Zealand, Chile and Brunei, to include four more APEC member economies Australia, Peru, Viet Nam and the United States. While TPP is not an APEC initiative, APEC is committed to enhanced regional economic integration, including through a possible Free Trade Area of the Asia Pacific, or FTAAP.

I have heard discussions about the possible relationship between TPP and FTAAP. Will one morph or merge into the other? While there are interesting and important issues to resolve about modalities, businesses along with many other stakeholders are more concerned about the benefits that enhanced regional economic integration can bring in the form of more robust trade and investment and better economic opportunity for the people in APEC economies.

So in response to the great opportunity it presents, AmCham Singapore has initiated an effort that includes the Singapore, American, Australian, and New Zealand business chambers working together to identify the advantages of expanding the TPP, which they will share with their respective host governments.

Business organizations with small and medium sized company memberships can help APEC because their members can be an important link to achieving the "inclusive and sustainable growth" goals which were endorsed by APEC at the meeting of the Ministers Responsible for Trade (MRT) in July:

"We reinforce the importance of continued cooperation between APEC and the business community to ensure that small and medium enterprises (SMEs), including those led by women entrepreneurs, are able to both contribute to and benefit from free trade in the Asia-Pacific region."

How do you keep small and medium sized business interested? One way may be to involve business organizations in the policy development of clearly defined short term changes, or so-called deliverables, that will genuinely make doing business easier. ABAC is spearheading this important work through its *Ease of Doing Business Survey* and its initiatives on regulatory

reform: Starting a business; getting credit, trading across borders, enforcing contracts; and dealing with permits. Another important area of work is to simplify and rationalize the various rules of origin that span the FTAs now in place across the APEC economies.

Looking ahead to 2011 when the U.S. hosts APEC, while official U.S. government trade policy is still being formulated, some important priorities are emerging and are likely to figure prominently in the U.S. APEC year in 2011. Financial recovery (APEC is aligned with the priorities of the G20), and regional economic integration are high priorities, which we hope will encompass active U.S. participation in the Trans Pacific Partnership, leading to an eventual Free Trade Area of the Asia Pacific.

Additionally, the U.S. government is focusing on food security as well as energy and human security issues, as well as issues “behind the border” that will address regulatory reform, and strengthen corporate governance.

The U.S. contributes over \$2.9 trillion in exports to APEC economies. During its APEC year, the U.S. will most certainly showcase its commitment to the Pacific Rim in all of these areas. The American business community in the U.S. and in Asia Pacific will be helping to support these activities every step of the way from now through Japan’s year and the meetings in the U.S. in 2011.

APCAC will continue to urge that the U.S. government adopt trade liberalizing policies. We continue to press for enactment of the U.S. Korea Free Trade Agreement. As I mentioned earlier, APCAC believes that a commercially viable Trans Pacific Partnership (TPP) is attainable and continues to urge that this process be a high priority of U.S. trade policy. We believe that this initiative is consistent with APEC’s Bogor goals for a free and open trading system among developed economies by 2010, and free trade among the developing economies by 2020 that includes a Free Trade Area of the Asia Pacific (FTAAP), as a means to stimulate economic growth.

Everyone is focused on the signs of global economic recovery. AmCham Singapore recently released its annual ASEAN Business Outlook Survey which it has conducted with American companies in cooperation with other AmChams in ASEAN for the past eight years. Seven of the ten member states of ASEAN are also APEC member economies

I want to give you just a few of the key highlights of this current survey of American business in the region.

- **Profit growth**
  - While the expectations for the current year’s profit growth have declined steadily from the 2007 levels, respondents are much more optimistic for 2010 growth.
- **Importance of ASEAN**
  - **Only four percent of respondents thought that ASEAN would be less important to their business.**
- **Concerns about doing business**
  - Similar to findings from those in previous years, corruption has been overwhelmingly identified as a major impediment to conducting business within the region.
- **ASEAN Integration**
  - Respondents from every economy felt that ASEAN integration is important to helping their companies do business in the region and 70% of all those surveyed support ASEAN integration.

The complete survey is available on AmCham Singapore’s website: [www.amcham.org.sg](http://www.amcham.org.sg).

While the survey does not cover the entire APEC region, it offers a sense of how American business is currently looking at a significant part of the APEC region, and highlights a shared goal with APEC: economic integration – viewed as a key economic benefit for business.

Conclusion: APEC is a region with such a significant portion of the world’s population, where more than half of the world’s economic strength is concentrated, that business and government leaders must strengthen their partnerships for the sake of future world trade and economic growth.

This is an unusual time in APEC’s history, with Singapore, Japan and the U.S. hosting back-to-back APEC forums. It is a great opportunity to seek more ambitious outcomes that will be more significant for industry.

The well known business coach, Tony Robbins says, “The path to success is to take massive, determined action. “ APEC and its institutions have been doing much of the work to clear the economic path and blaze a new trail. Business is helping but it can do more.

Business organizations of many types can help to widen the path by connecting more with APEC institutions on our shared goals. APEC should look to business organizations to help identify ways that the goals of inclusive and sustainable growth can be realized, and take advantage of their small and medium sized business members in these organizations. Similarly,

the initiatives by APEC this year to bring greater attention to the problems at the border and behind the border, offer practical solutions that will draw businesses of all sizes into the APEC camp. APEC can harness more support from the business community by solving some of the practical problems that will help to build a broader consensus for APEC, and enable these goals to be achieved.