

# ABAC Meeting Overview

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## **APEC SME Forum on Innovation**

Date: 08 July 2013

Time: 0830 - 1500

Venue: Kyoto Hotel Okura 4F Meeting Room “Gyoun

## **Background**

Host economies of ABAC meetings often organize an SME Summit on the margins of the ABAC Meeting. Typically the summits involve a series of panel discussions on the subject that feature a combination of local SME representatives, leading business figures in the host economy and ABAC members. For the Third ABAC meeting, the The Japan Chamber of Commerce and Industry in coordination with The Bank of Tokyo-Mitsubishi UFJ, Ltd. will organize a half day program of panel discussions that will include ABAC members and representatives from the local and international business community.

## **Conference Theme (from early promotional materials)**

Under the theme “Kizuna - Collaboration with Innovation”, the SME Summit will focus on building cooperation and collaboration between small & medium enterprises in Kyoto and in the APEC region.

There are four sessions as follows:

- Session 1            Road to Success
- Session 2            Access to New Markets
- Session 3            Access to Innovative Technology
- Extra Session & Exhibition of Innovative Technology & Products  
Reception



**APEC Business Advisory Council**



## APEC SME Summit

### **Kizuna - Collaboration with Innovation**

*~ Building cooperation and collaboration between small & medium enterprises in Kyoto and in the APEC region ~*

**July 8, 2013  
Kyoto, JAPAN**

#### **Program**

<b>Time</b>	<b>Program</b>
<b>08:30 - 09:00</b>	<b>Registration</b>
<b>09:00 - 09:05</b>	Opening Remarks <b>Mr. Yoshio Tateishi</b> Chairman, Kyoto Chamber of Commerce and Industry
<b>09:05 - 09:10</b>	Welcoming Remarks <b>Ministry of Economy, Trade and Industry (TBC)</b>
<b>09:10 - 09:15</b>	Welcoming Remarks <b>Mr. Kiyoshi Sono</b> Deputy President, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
<b>Session 1 : Road to Success</b>	
<b>09:15 - 09:20</b>	<b>Moderator Mr. Yoshihiro Watanabe</b> ABAC FEWG Co-Chair Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
<b>09:20 - 09:50</b>	<b>Panel Discussion</b> - <b>Mr. Masao Horiba</b> , Supreme Counsel, HORIBA Ltd. - <b>Mr. Yoshikazu Takada</b> , Partner, PricewaterhouseCoopers Kyoto
<b>09:50 - 10:05</b>	<b>Coffee Break</b>



**Organizer**                    **The Japan Chamber of Commerce and Industry**

**Co-Organizer**                    **The Bank of Tokyo-Mitsubishi UFJ, Ltd.**  
**JAPAN**                    **Organization for Small & Medium Enterprises and Regional Innovation,**  
   **The Shoko Chukin Bank, Ltd**

**Cooperator**                    **ABAC Japan**

**Venue**                            **Kyoto Hotel Okura 4F Meeting Room “Gyoun”**

**Others**                            **Japanese / English (Simultaneous interpretation)**

**Sponsor**



**Companies List in Session 1 :**

<b>Name</b>	<b>Main Business</b>
- HORIBA Ltd.	Automotive emission measurement systems, environmental measuring instruments, wide range of scientific analyzers, and medical diagnostic analyzers, and measuring equipment used in the semi-conductor industry <a href="http://www.horiba.com/reset/">http://www.horiba.com/reset/</a>
- PricewaterhouseCoopers Kyoto	Audit Firm <a href="http://www.pwc.com/jp/en/index.jhtml">http://www.pwc.com/jp/en/index.jhtml</a>

**Companies List in Session 2 :**

<b>Name</b>	<b>Main Business</b>
- OOTOYA Holdings Co., Ltd.	Japanese Set-Meal Restaurant Chain
- Nabel Co., Ltd.	Automatic system for grading and packing eggs Digital Egg Tester <a href="http://www.nabel.co.jp/en/index.html">http://www.nabel.co.jp/en/index.html</a>
- Watanabe Giichi Seisakusho Co., Ltd.	Filter for Synthetic Fiber Manufacturing

- Indo-Japan Chamber of Commerce and Industry

<http://www.ijcci.com/>

**Companies List in Session 3 :**

<b>Name</b>	<b>Main Business</b>
- Activelink, Co., Ltd. “Powerloader”	Dual-Arm Power amplification Robot  <a href="http://psuf.panasonic.co.jp/alc/en/index.html">http://psuf.panasonic.co.jp/alc/en/index.html</a>
- CosMED Pharmaceutical Co. Ltd <a href="http://pharm.co.jp/english/profile.htm">pharm.co.jp/english/profile.htm</a>	Transdermal drug delivery / Cosmetics <a href="http://www.cosmed-">http://www.cosmed-</a>
- Nakanuma Art Screen Co. Ltd.	Screen Printing / Screen Masks / Metal Masks <a href="http://www.nakanuma.co.jp/index.php?param=120">http://www.nakanuma.co.jp/index.php?param=120</a>
- SAIJOINX Co., Ltd. Prototypes	Precise Metal Stamping & Insert Molding for  <a href="http://www.saijoinx.com/en/">http://www.saijoinx.com/en/</a>
- 3D Media Company Limited	3D Vision

**Companies List in Extra Session** (in alphabetical order) :

<b>Name</b>	<b>Articles on display</b>
- Activelink, Co., Ltd. “Powerloader”	Dual-Arm Power amplification Robot <a href="http://psuf.panasonic.co.jp/alc/en/index.html">http://psuf.panasonic.co.jp/alc/en/index.html</a>
- City of Kyoto	Kyoto Traditional Manufacturing / Tourism Information <a href="http://www.city.kyoto.jp/koho/eng/index.html">http://www.city.kyoto.jp/koho/eng/index.html</a>
- CosMED Pharmaceutical Co. Ltd <a href="http://www.cosmed-pharm.co.jp/english/profile.htm">http://www.cosmed-pharm.co.jp/english/profile.htm</a>	Transdermal drug delivery / Cosmetics <a href="http://www.cosmed-">http://www.cosmed-</a>
- DAICO MFG CO., LTD.	Quartz Glass, Crystal materials / Precision Processing <a href="http://www.daico.co.jp/english/index.html">http://www.daico.co.jp/english/index.html</a>
- Enzan Koubou Co., Ltd.	automatic measurements and process management for construction sites focusing on tunneling work <a href="http://www.enzan-k.com/index-e.html">http://www.enzan-k.com/index-e.html</a>
- FUTAQ Precision Machinery Industry Co.	Beta-Titanium Tubes / Titanium Needles <a href="http://futaku.co.jp/en/">http://futaku.co.jp/en/</a>
- Gekkikan Sake Company, Ltd.	Japanese Sake / Sugarless Japanese Sake <a href="http://www.gekkeikan.co.jp/english/index.html">http://www.gekkeikan.co.jp/english/index.html</a>
- Hikari Miso Co., Ltd.	Miso with HALAL certificate <a href="http://www.hikarimiso.com/">http://www.hikarimiso.com/</a>
- Kawasaki Machine Industry Co., Ltd.	Gear / Hypoid Gear
- Nabel Co., Ltd.	Automatic system for grading and packing eggs <a href="http://www.nabel.co.jp/en/index.html">http://www.nabel.co.jp/en/index.html</a>
- Nagai Orimono Co., Ltd.	Japanese traditional textile and Dyeing
- Nakakin Co., Ltd.	Rotary Pump <a href="http://www.nakakinpump.jp/e/index.html">http://www.nakakinpump.jp/e/index.html</a>
- Nakanuma Art Screen Co. Ltd.	Screen Printing / Screen Masks / Metal Masks <a href="http://www.nakanuma.co.jp/index.php?param=120">http://www.nakanuma.co.jp/index.php?param=120</a>
- SAIJOINX Co., Ltd. Prototypes	Precise Metal Stamping & Insert Molding for <a href="http://www.saijoinx.com/en/">http://www.saijoinx.com/en/</a>
- Sakigake Semiconductor Co., Ltd.	Plasma equipments <a href="http://sakigakes.co.jp/eng/index_eng.html">http://sakigakes.co.jp/eng/index_eng.html</a>
- Sakura Color Products Corporation	700 colors crayons <a href="http://www.craypas.com/global/">http://www.craypas.com/global/</a>

- Sanwa Kako Co., Ltd. Polyethylene Block Foam  
<http://www.sanwa-chemi.co.jp/english/index.html>
- 3D Media Company Limited 3D Vision
- Watanabe Giichi Seisakusho Co., Ltd. Filter for Synthetic Fiber Manufacturing

# ABAC Meeting Overview

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## **ABAC for Trans Pacific Partnership (TPP) Meeting**

Date: Monday, July 8, 2013

Time: 1400-1500

Venue: Level 3 EDINBURGH, Kyoto Hotel Okura

### **Background**

ABAC for TPP was established in May of 2012 under the leadership of Tony Nowell of New Zealand and Juan Raffo of Peru. ABAC has long been supportive of initiatives that can serve as pathways or building blocks toward a Free Trade Area of the Asia Pacific (FTAAP), but Members had been reluctant to indicate more support for one initiative over another (i.e. TPP over an ASEAN-led initiative). In this respect the establishment of a group of ABAC Members focused on support for TPP was somewhat remarkable.

ABAC USA has been supportive of ABAC for TPP's activities, but has not taken an active role in the group. There is scope for ABAC USA to take a more active role should there be interest among US members.

### **Objective**

The group's main objectives are to leverage the ABAC to advocate for the early conclusion of the TPP and share information among private sector stakeholders. ABAC for TPP meetings are open to ABAC members from non-TPP countries as well, making it an opportunity to share information with business people from economies that could potentially join negotiations in the future.

### **Activities**

The group has met on the margins of every ABAC meeting since it was established to discuss how Members can support efforts to conclude the TPP. It is likely that it would be difficult to find agreement among ABAC members on highly technical or controversial issues. In 2012, ABAC for TPP sent a letter to trade ministers from TPP economies calling for negotiating countries to conclude the agreement in a timely manner and ensure that the TPP is high quality, comprehensive and inclusive. At the APEC meetings in Vladivostok, ABAC for TPP arranged a meeting with TPP trade ministers to reinforce these messages, however logistical issues forced the cancellation of the meeting. In Singapore, ABAC members were given a briefing on the Singapore TPP Round that took place March 1-15 and discussed the ramifications for Japan's accession into the TPP. Additionally, ABAC TPP Members sent letters of support to their respective government negotiators.

The next round of negotiations, the 18<sup>th</sup> round in the process, is scheduled to take place July 15-25 in Malaysia.

### **July 8 Meeting Agenda**

The agenda for this meeting has not yet been posted.

# ABAC Meeting Overview

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## Asia-Pacific Financial Forum Meeting

Date: Tuesday, July 9, 2013

Time: 1000 - 1200

Venue: Kyoto Hotel Okura Umeno-Ma Room, 5th floor

The Asia-Pacific Financial Forum (APFF) Symposium was held on April 10-11, 2013 in Sydney, Australia. The Symposium was jointly sponsored by the APEC Business Advisory Council (ABAC) and the Australian Treasury. This meeting will address the outcomes of the APFF Symposium held in April.

### ***APFF Vision***

The APFF is envisioned as a platform to bring together institutions, organizations and initiatives geared towards the development and strengthening of the region's financial markets. Its objective will be to help promote greater synergy, identify and address gaps, build institutional capacity, as well as accelerate the evolution of regional cooperation toward greater consistency and coherence in the development of regional financial markets.

### ***Symposium Discussions***

The APFF Symposium discussions assessed the state of regional financial market development and identified a roadmap for increased integration. Topics included:

- Existing financial markets in a global and regional context.
- Financial market development for the Asia Pacific region.
- Regulatory barriers impacting Asia-Pacific financial market development and convergence.

### ***Work Programs***

Symposium participants agreed to focus on a limited agenda with initiatives that can have concrete deliverables in a one to two year time frame. The overarching issues that the APFF addresses will be sufficiently flexible so that the APFF remains relevant as economies grow. Symposium participants identified three work streams for the APFF: **Insurance, Capital Markets, and Lending.**

### ***Structure and Process***

APFF activities will be organized under the leadership of the APEC Business Advisory Council (ABAC) in conjunction with the APEC Finance Ministers Process (FMP). Interested economies and/or international institutions will be invited to host activities under the work program. Sponsorships will be solicited as appropriate.

### ***APFF Next Steps***

The ABAC will now refine the Asia-Pacific Financial Forum proposal, based on the discussions at the Symposium, and present it to APEC Finance Ministers in September 2013.

## **Overview**

The Asia-Pacific Financial Forum (APFF) Symposium was held on April 10-11, 2013 in Sydney, Australia. The Symposium was jointly sponsored by the APEC Business Advisory Council (ABAC) and the Australian Treasury.

### ***APFF Vision***

The APFF is envisioned as a platform to bring together institutions, organizations and initiatives geared towards the development and strengthening of the region's financial markets. Its objective will be to help promote greater synergy, identify and address gaps, build institutional capacity, and accelerate the evolution of regional cooperation toward greater consistency and coherence in the development of regional financial markets.

## **Summary of APFF Symposium Discussions**

### ***Overview of Asia-Pacific financial markets: Current state and evolution in a global and regional context***

This session focused on key characteristics of, and differences between, financial markets in the Asia-Pacific and reviewed their development in the context of their role in promoting balanced, inclusive, sustained and innovative growth. The session also identified the level of financial market connectivity in the Asia-Pacific and how this differs from more homogenous, integrated financial markets in Europe and the US.

#### Key Discussion Points:

For Asia to grow the APFF needs to focus on long term objectives with near term deliverables. The solution to these issues requires efforts across government ministries. Savings must be channeled into the region to facilitate long term infrastructure investment. Undeveloped regional capital markets dissuade regional investment, and result in regional savings leaving for developed capital markets in the US and EU.

To develop regional markets, Asia must:

- Move away from bank concentration and the overreliance on bank lending.
- Increase efficiencies and bring down costs to become more competitive with the EU and US.
- Develop flexible markets that can integrate strengths from EU and US models but fit the specific needs of the region.
- Increase transparency and simplicity across Asia and strengthen regional financial cooperation.
- Create robust, resilient, and inclusive markets to attract global investors.
- Strengthen pension systems to promote financial stability as more people retire in the upcoming decades. Pension funds and mutual funds can provide a demand for regional investment.

### ***Financial market development and connectivity: Defining a development agenda for the Asia Pacific region***

This session focused on how policy-makers and regulators aspire to shape future market and regulatory structures to promote financial market development and connectivity.

#### Key Discussion Points:

Consistency and transparency are important to developing stable and predictable financial markets. Investors need to be able to access the local market and understand the differences between economies to improve capital inflows. Some specific recommendations include:

- Producing a consistent definition of infrastructure across the region
- Ensuring the consistent treatment of foreign vs. domestic investors, including how claims are recognized.
- Harmonizing foreign ownership cap levels across industries.
- Simplifying tax systems across the region

Financial inclusion should be a top priority in the region. Cross border data flows are an integral part of financial inclusion through the improvement of credit and worker mobility. The APFF must communicate the messages of market connectivity and create a level of trust between the policy makers and the general public.

Capacity building, convergence, efficiency and regional integration are also critical. Asian economies are at varying levels of financial market development, and the APFF must advocate for the broad application of financial industry best practices in order to attract regional investment.

### ***Regulatory issues in promoting Asia-Pacific financial market development and convergence***

This session reviewed the actual and potential impact of current and planned global financial regulatory standards on the achievement of the region's financial market development goals and aspirations including what positive impacts can be strengthened, what unintended consequences need to be addressed, and what gaps need to be filled.

#### Key Discussion Points:

The APFF can be a voice for the Asia-pacific and work with regional bodies on the implementation of regulatory policies. The APFF must ensure that this messaging is compatible with existing EU and US regulations to avoid conflicts with EU and US regulators.

- Asian economies are represented in the standards bodies but the broad development variances across the region means that Asia needs to continue to be involved to ensure that global standards reflect the unique development and economic goals of the region.
- Regulations should be flexible across economies. Economies emerging from global financial crisis may have different financial market needs.

The foundation for sustained economic growth is a banking system in which there are effectively regulated capital requirements, liquidity, and transparency. Applying the same regulations to banks, insurance, and securities does not work. There needs to be variations that take into consideration the purpose of each industry. Non-bank lenders lend to higher risk and should therefore not have same liquidity standards.

### **Work Programs**

Recommendations for a work program and activities for the period May 2013 – April 2015 were developed by participants at the Symposium and will be finalized by consensus of participants before the

2013 APEC Finance Ministerial Meeting. A report on proposed work program and activities will be submitted by ABAC to the APEC Finance Ministers and discussed during their dialogue.

Symposium participants agreed to focus on a limited agenda with initiatives that can have concrete deliverables in a one to two year time frame. The overarching issues that the APFF addresses should be sufficiently flexible so that the APFF remains relevant as economies grow. Discussions at the APFF Symposium were distilled into three categories:

### ***Insurance***

- Develop recommendations on regional harmonization and interpretation of regulatory requirements at macro level.
- Promote consistent regional financial messaging for international accounting, regulatory and other discussions.
- Support the role of insurance industry in long term financial stability, infrastructure development, trade development and social stability and inclusion.
- Assist government in discussions and solutions around retirement income schemes, recognizing the rapidly ageing population and longevity.

### ***Capital Markets***

- Build awareness amongst governments/policy makers about benefits of cooperation and harmonization.
- Promote investor engagement and build industry capability.
- Enhance market quality by building a roadmap to harmonize access requirements for local market, standardize platforms, and create a cross-border capital mechanism for the movement of capital.
- Develop platform for providing market information on a standardized basis to fund managers.
- Promote market integrity by encouraging consistent default resolution regimes and developing standards for market entry.

### ***Lending***

- Promote financial inclusion through predictable/transparent legal and regulatory environment, and full file credit bureaus.
- Provide a convening function to bring in the right stakeholders (private sector, public sector and regulators, standard setters) to influence decision makers on enhancing secured financing.
- Promote trade finance to integrate more companies (including SMEs) into global supply chains.
- Advocate for consistent treatment of foreign vs. domestic funding.
  - Limit impediments to cross border capital flows, encourage securitization.
  - Increase integration to improve flows of capital, data, and labor.

## **Process and Structure**

### ***Institutional/Reporting Arrangements:***

The APFF is a policy initiative managed by the ABAC in partnership with interested economies and financial institutions under the APEC Finance Ministers' Process (FMP). ABAC will report regularly to the FMP on progress and outcomes and make presentations as needed. APEC Finance Ministers and

relevant international bodies can adopt and incorporate recommendations emerging from APFF into their respective statements, work and activities.

The APFF's role is not to formulate standards nor create market infrastructure and regulations but rather to evaluate them and identify ways to promote coherent development, convergence and connectivity of markets.

The APFF will support the ABAC in developing a roadmap for increased financial market connectivity. ABAC has an institutionally mandated role in APEC and the APFF will contribute to that role. The APFF can strengthen the regional financial market messaging and help implement standards and promote policy coordination across the region.

***Coordination:***

Activities will be organized in the form of informal workshops, conferences, discussions and capacity building activities for policy makers and regulators.

ABAC will volunteer to coordinate activities, in partnership with any other interested institutions or ministries. It will utilize the ABAC Advisory Group on APEC Financial System Capacity Building, which is chaired by ABAC. The Advisory Group regularly meets four times a year and can convene workshops, conferences or any additional meetings as needed.

***Participants:***

The APFF will engage with all relevant public and private entities whose activities have significant impact on the development and integration of the region's financial markets.

Participation in APFF activities would be open to the following:

- Government officials: Interested finance ministries, central banks and financial regulatory authorities and agencies from APEC economies. Non-APEC ASEAN+3 and Pacific Alliance member economies may also be invited as deemed appropriate.
- International Financial Institutions
- APFF Private Sector Representatives: ABAC will invite representatives from the private sector and international organizations to join a regional panel to participate in dialogues, workshops and relevant activities under the APFF.

***Logistics and Funding:***

APFF activities will be organized under the leadership of the ABAC in conjunction with APEC Finance Ministers. Interested economies and/or international institutions will be invited to host activities under the work program. Sponsorships will be solicited as appropriate.

***Review and Further Development:***

A review of the initial APFF structure and process will be undertaken by ABAC and interested participating institutions within two years. Based on this review, directions for further development will be discussed with APEC Senior Finance Officials and APEC Finance Ministers.

**APFF Next Steps**

ABAC will refine the Asia-Pacific Financial Forum proposal, based on the discussions at the Symposium, and present it to APEC Finance Ministers in September 2013.

## ABAC Meeting Overview

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### **ABAC Women's Forum (AWF) Luncheon**

Date: Tuesday, July 9, 2013

Time: 12:45- 2:00pm

Venue: Level 3 Edinburgh, Kyoto Hotel Okura

### **Background**

This meeting will serve as a working luncheon for the ABAC Women's Forum to review progress on deliverables for the 2013 year. Although primarily attended by female staffers and ABAC members, the Women's Forum is open to everyone. Presentations at this luncheon will include Women's empowerment Principals; Bank of New Zealand's diversity manager; and APEC Women and Transportation Initiative.

In addition, ABAC USA, in cooperation with ABAC New Zealand, Japan and Chinese Taipei, is in the process of developing a report that highlights the "business case" for the increased participation of women in the economy. A draft of the report will be discussed at the luncheon.

Agenda:

**APEC BUSINESS ADVISORY COUNCIL WOMEN'S FORUM**  
**Third Meeting for 2013**  
**Kyoto**  
**12:45-14:00 July 9, 2013**  
**AGENDA**

**12:45-12:55 Opening Remarks from the Chair**

- Introduction of new member and guests
- Endorsement of Singapore meeting minutes

**12:55-13:05 ABAC Report on Women and the Economy**

Update on progress and review of first draft

**13:05-13:20 Presentation from Women Empowerment Principles signatory**

Ms. Yukako Uchinaga, Honorary Chairman

Berlitz Corporation

**13:20-13:35 Presentation from Bank of New Zealand**

Ms. Debbie Teale, Diversity Manager

Bank of New Zealand

**13:35-13:45 APEC Women in Transportation Initiative**

Ms. Heather Fernuik, Senior Advisor to Assistant Secretary

US Department of Commerce

**13:45-14:00 Any Other Business & Closing Remarks**

National Center for APEC

# ABAC Meeting Overview

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*Secretariat for U.S. Representation to the APEC Business Advisory Council (ABAC)*



# ABAC Meeting Overview

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## APEC Policy Partnership on Food Security (PPFS) Management Council (MC) Meeting

Date: Thursday, July 11, 2013.

Time: 1400-1700

Venue: Hotel Okura, Kyoto

### **Background**

According to the TOR PPFS, the Management Council will convene planning meetings for all interested APEC economies to develop the agenda for the PPFS plenary meeting and may invite private sector representatives, multilateral organizations and academic representatives to participate.

Based on this principle, the ultimate goal of MC PPFS meeting in Kyoto is to finalize the PPFS inputs into the Leaders Declaration and to beginning planning for PPFS 2014.

Generally attendance is optional for ABAC members and staff. NCAPEC will have staff in attendance.