

Roundtable Overview

The National Center for APEC held its Executive Roundtable for the APEC Indonesia year on October 29 and 30 in Sausalito, California. Stakeholders from the public and private sectors from the United States and the upcoming APEC host economy gathered in a retreat-like setting to discuss strategies to leverage APEC to advance initiatives that will improve the environment for business in the Asia Pacific. Views from host economy Indonesia were presented by Ambassador Dino Djalal of the Indonesian Embassy in DC and Wishnu Wardhana who is serving as Chairman of both the APEC Business Advisory Council (ABAC) and the 2013 CEO Summit. The Roundtable also provided an opportunity for representatives from the U.S. Departments of State, Commerce, Transportation, Treasury and the Office of the United States Trade Representative to provide background on USG priorities for APEC in the coming year. This input informed sector and issue focused side meetings on investment, energy security, food security, trade facilitation, health, financial services, women's issues, and ICT/innovation that were also held during the Roundtable. By the conclusion of the event participants had identified a number of specific priorities and action items that NCAPEC will implement in the coming months. More details are provided in this report.

Strategy Session Summaries

Energy Security Strategy Session

APEC 2013 Objectives

- Reducing barriers to energy trade and investment;
- Facilitating investment, development, and trade in energy through good regulatory practices; and
- Encouraging the development of renewable and unconventional energy sources.

Practical Steps for APEC 2013

- Establishing the connection between energy development and good regulatory practices (GRP) is essential. The energy sector is reticent to invest in economies that lack coherent and transparent regulatory practices. The National Center for APEC has worked for reform in this area through its trade facilitation group. NCAPEC's Energy Policy Support Group (EPSG) will support efforts to **expand the Center's recently published [Strategic Framework for Regulatory Coherence in APEC](#) to include regulatory issues of importance to the energy sector**, such as; notice on new regulations; opportunity to be heard on impact of regulation; stability of terms of contract (including local content requirements); and eliminating prohibitions on contract renewal.
- Working with ABAC, **the Center will propose the creation of benchmarks to measure progress on GRP commitments made by APEC Leaders in 2011 in Honolulu**. A potential step for measuring this progress is an APEC pathfinder that focuses on economies that have passed the Administrative Procedures Act.

- As part of an effort to increase awareness on the competitive importance of good regulatory practices **the Center will organize a workshop on the theme of how regulatory frameworks can encourage development of renewable and unconventional energy resources.**

For more details on this strategy session, contact [Barbara Hazzard](#).

Financial Services Strategy Session

APEC 2013 Objectives

- Enhancing economic inclusion;
- Expanding the target audience for private sector policy messaging;
- Creating an open environment for the discussion of cross-border data flows; and
- Leveraging the Asia Pacific Financial Forum (APFF).

Practical Steps for APEC 2013

- The regulation of cross-border data flows continues to be a priority for U.S. companies operating in the APEC region. **The National Center will continue to foster an open exchange of ideas on cross-border data flows by coordinating a roundtable on the margins of ABAC I** (January 2013, Manila) involving subject experts from the private sector as well as government regulators from APEC economies. The dialogue will highlight how data flows are utilized by the private sector as well as assess the privacy and security concerns that must be addressed.
- The National Center's work on [International Financial Reporting Standards \(IFRS\)](#) over the past two years has focused on encouraging financial regulatory coherence and avoiding unnecessarily adverse impacts on certain sectors of the economy. **The National Center will continue this effort by organizing a second dialogue between ABAC and the APEC Economic Committee (EC)** to further discuss the implementation of IFRS across the region and how to best avoid potential negative economic impacts on the private sector.
- This year APEC Finance Ministers endorsed ABAC's proposal to create the Asia-Pacific Financial Forum (APFF), a platform for public-private sector collaboration in the development of robust financial markets across the region. **The National Center for APEC will be the coordinator for U.S. private sector input into the APFF** and will utilize the APFF as a key forum for expanding the target audience for U.S. private sector policy messaging.
- In 2012 The National Center for APEC launched its Financial Services Policy Group (FSPG). The FSPG released a [Strategic Framework for Financial Services](#), which stresses the need to create a level playing field for all market participants; enhance transparency; strengthen financial inclusion, and support regulatory coherence. **The National Center will leverage this framework to convey priorities to key stakeholders through engagement with the APFF, ABAC, as well as engagement with APEC Finance Officials.**

For more details on this strategy session, contact [Robert Fiddick](#).

Food Security Strategy Session

APEC 2013 Objectives

- Establishing primacy of the Policy Partnership on Food Security (PPFS) for policy setting in APEC;
- Socializing concept of PPFS inside and outside of APEC; and
- Endorsing the "PPFS Action Plan for Food Security in APEC by 2020.

Practical Steps for APEC 2013

- The PPFS was established last year to initiate and coordinate food security policy in APEC in cooperation with the private sector. The four U.S. PPFS members have collectively volunteered to co-chair the "Stock-Take & Action Plan to 2020 Working Group" and are waiting for endorsement from the full PPFS membership. This working group is at the heart of PPFS' first year actions and provides an opportunity to shape the future direction, and policy viability, of PPFS. **The National Center will work with U.S. industry and PPFS private sector and government members in other economies to ensure the endorsement of the U.S. PPFS as the chair and the endorsement and implementation of PPFS Action Plan, including a stock take and the development of long-term objectives.**

For more details on this strategy session, contact [Barbara Hazzard](#).

Health Strategy Session

APEC 2013 Objectives

- Continuing support of ongoing APEC work streams in the Life Sciences Innovation Forum (LSIF) and Health Working Group (HWG);
- Engaging with new stakeholders, such as Finance Ministers and ABAC to raise the profile of the APEC health agenda; and
- Support the LSIF in its efforts to identify and facilitating an opportunity for a High Level Meeting on Health and the Economy.

Practical Steps for APEC 2013

- The first High Level Meeting on Health and the Economy set an important precedent in APEC by engaging health ministers, experts and senior executives in a discussion on healthcare investment and its connection to economic growth. In 2012, NCAPEC helped facilitate support from the business community by securing endorsement for an official ABAC letter to health ministers applauding APEC Russia's decision to host a high level public private dialogue and calling for discussions that encouraged trade friendly policies. Building on this effort, **NCAPEC will collaborate with APEC stakeholders to explore the possibility of including a third annual High Level Meeting on Health and the Economy in the 2013 APEC agenda.**
- **NCAPEC will conduct additional outreach and explore the possibility of expanding the policy discussion beyond health ministries** to include government representatives responsible for

trade, development and finance to encourage APEC economies to take a whole of government approach to healthcare investment.

- **NCAPEC will continue to support and leverage key health and life sciences initiatives in APEC** that address areas of interest to the private sector such as regulatory coherence, SME Business Codes of Conduct, the NCD Action Plan, the Enablers of Investment Checklist, anti-counterfeiting measures and preventing healthcare associated infections (HAI).
- The ABAC can potentially play an expanded role in the health discussion by advocating for policies and measures that are supportive of private sector priorities in the region. Building on the appointment of Bart Peterson, Eli Lilly, as a U.S. ABAC representative, **the National Center will explore how best to raise the profile of the health agenda in ABAC** and generate official support for key initiatives such as the High Level Meeting on Health and the Economy. To build support within the broader business community represented in the ABAC, **NCAPEC will work with stakeholders to develop a publication that highlights the link between APEC's health agenda and ABAC's core focus on trade and investment.**
- Ongoing advocacy is needed to ensure that health maintains a prominent place on the APEC agenda and that the discussion is informed by the priorities of the private sector. **The National Center will continue to advocate for the inclusion of health in high profile private sector events such as the APEC CEO Summit and APEC China CEO Forum.**

For more details on this strategy session, contact [David Boman](#).

ICT, Innovation and Trade Strategy Session

APEC 2013 Objectives

- Expanding the APEC Innovation and Trade Policies that Leaders agreed to in 2011 through the development of Innovation and Trade Implementation Practices;
- Highlighting the economic benefits of implementing effective, non-discriminatory, and market-driven innovation policies; and
- Facilitating private sector input into partnerships and working groups such as the Policy Partnership for Science, Technology and Innovation (PPSTI) and Telecommunications and Information Working Group (TEL).

Practical Steps for APEC 2013

- During the U.S. host year in 2011, in part due to support generated by the first APEC Innovation and Trade Conference in San Francisco, APEC Leaders agreed to implement a series of [policies to promote effective, non-discriminatory, and market-driven innovation policy](#) in the Asia-Pacific region. Building on official instructions from APEC Ministers to advance this work, in 2013 USTR will work closely with the business community and other key stakeholders to develop a series of innovation and trade implementation practices to assist economies in their efforts to implement their 2011 commitments in this area. **NCAPEC and other associations will collaborate to facilitate constructive private sector input into this process.**

- To build official support for endorsement of the innovation and trade implementation practices that USTR is developing and further advocate for trade enhancing innovation policy, **NCAPEC and USTR will collaborate with other APEC stakeholders to organize the third APEC Innovation and Trade Conference** on the sidelines of the third Senior Officials Meeting in Medan, Indonesia.
- The private sector has expressed an interest in a study that tangibly demonstrates the economic benefits of implementing the non-discriminatory, and market-driven innovation policies agreed to in 2011. **NCAPEC will explore the possibility of leveraging prior research or partnering with associations to prepare a new study that is complementary to the policy discussion that will take place during APEC 2013.**
- APEC's working groups and partnerships continue to present opportunities for the private sector to engage in the innovation discussion and advance goals such as the expansion of the ITA. The **National Center will play a leading role in the development of the newly formed Policy Partnership for Science, Technology and Innovation (PPSTI)** and explore facilitating expanded private sector engagement in other APEC groups such as Telecommunications and Information Working Group (TEL) and Market Access Group (MAG).
- In 2012 several APEC economies engaged in a robust discussion in the ABAC about policies and measures that could promote the dissemination of technology in the APEC region. **The National Center will continue to represent the priorities of the U.S. private sector by highlighting the role that voluntary, market driven measures and an open trade and investment environment play in the dissemination of technology.**

For more details on this strategy session, contact [David Boman](#).

[Investment Strategy Session](#)

APEC 2013 Objectives

- Advocating for high quality, APEC wide investment disciplines in the Asia Pacific region
- Encouraging continued implementation of the [APEC Investment Facilitation Action Plan \(IFAP\)](#),
- Promoting whole of government approaches to investment policy.

Practical Steps for APEC 2013

- Regular private sector input into the APEC Investment Experts' Group (IEG) process helps facilitate the development of effective policy recommendations for APEC Senior Officials and provides an incentive to accelerate the implementation of measures that have been officially endorsed by the IEG, such as the [APEC Investment Facilitation Action Plan \(IFAP\)](#). **The National Center will continue to facilitate private sector engagement with APEC investment officials by organizing the third annual Public-Private Dialogue with the IEG** in Jakarta during SOM I.
- In 2011, NCAPEC and the ABAC collaborated with experts and officials to develop [Investing for Growth](#), a report that highlights steps that APEC economies can take to attract Foreign Direct Investment. The report served as an effective policy platform that helped facilitate outreach to officials and the international business community. In addition, it also served as the basis for

some of ABAC's official policy recommendations to Leaders and Ministers. To build on this effort **the National Center will work with ABAC and the National Association of Manufacturers (NAM) to develop a new report that highlights investment policies and best practices that result in beneficial outcomes for the recipient economy.**

- Building on the theme of spreading the benefits of FDI, NCAPEC will explore working with business schools in the APEC region to commission studies that catalogue how investment has benefited individual recipient economies and track protectionist measures in the region. To complement this effort, **the National Center will collaborate with ABAC to gather case studies from individual companies that demonstrate positive FDI outcomes for recipient economies in the region.**
- APEC has several official work streams covering policy areas with strong connections to the investment discussion such as finance, transportation and small and medium enterprises. To build on prior work and engage relevant stakeholders, **the National Center will work with US companies to identify and facilitate opportunities for focused investment policy dialogues on the 2013 agenda.**
- A strong TPP investment chapter would be a productive step towards the establishment of APEC wide investment disciplines in the region. **NCAPEC will leverage its prior work and collaborate with ABAC for TPP, a subgroup of ABAC members that meets regularly to convey policy recommendations to relevant TPP officials, to engage policymakers and TPP negotiators in dialogues on investment policy.**

For more details on this strategy session, contact [David Boman](#).

Trade Facilitation Strategy Session

U.S. Private Sector Objectives

- Improving supply chain connectivity;
- Strengthening public-private cooperation on customs; and
- Enhancing regulatory coherence.

Practical Steps for APEC 2013

- This year, NCAPEC finalized a [Strategic Framework for Regulatory Coherence in APEC](#). **The National Center will broaden the sectoral coverage of the framework, spearhead a approach to regulatory coherence that identifies the policies and regulations that the private sector would like to see in place to create a more competitive and integrated commercial environment, and work with USTR to ensure robust private sector input into capacity building and best practices workshops that will be held on the margins of APEC meetings in 2013 and 2014.**
- As part of an effort to strengthen public-private cooperation on customs related issues, APEC launched a Virtual Customs Business Working Group (VCBWG). The VCBWG's objective is to identify customs priorities and activities of mutual interest, coordinate on the development of a more robust annual APEC Customs Business Dialogue (ACBD), as well as strengthening public-

private oversight on progress of customs activities and work programs. The U.S. private sector believes that customs should be utilized to enhance economic competitiveness in addition to its traditional security and revenue generation roles. **Through the VCBWG, the National Center for APEC in conjunction with associations including USCIB and the U.S. Chamber will ensure that U.S. private sector priorities are reflected in APEC.**

- The National Center for APEC will continue to identify private sector priorities for the [Supply Chain Connectivity Initiative \(SCCI\)](#). These private sector priorities will inform APEC SCCI initiatives as part of an effort to make it cheaper, easier, and faster to conduct business in APEC. **The National Center will continue to focus on identifying the specific policies that are needed to improve connectivity, providing input into a gap analysis on implementation in APEC economies, and participating in capacity building initiatives with APEC economies.**

For more details on this strategy session, contact [Robert Fiddick](#).

Women and the Economy

U.S. Private Sector Objectives

- Raising the awareness of the economic benefits that result from increased participation of women in the economy,
- Identifying how the private sector can effectively leverage APEC to pursue deliverables that advance the issue.

Practical Steps for APEC 2013

- The Department of Transportation has secured funding for a “Women in Transportation” initiative that will use APEC as a platform to identify policies and practices that can facilitate further engagement of women in the transportation field. **The National Center will work closely with the Department of Transportation to build programs that capture private sector feedback on best practices, gathering relevant data on the issue from APEC economies and leveraging APEC as means to engage policymakers in the discussion.**
- As a result of broad advocacy from officials and the private sector, the Women and the Economy policy discussion is continuing to gain traction in APEC. NCAPEC will work closely with the Department of State and the USCIB to build on prior efforts to advance the conversation under the [four policy pillars established in San Francisco in 2011 \(Access to Capital, Access to Markets, Capacity and Skills Building, Women in Leadership\)](#) and facilitate robust private sector input and engagement into the next APEC High Level Dialogue on Women in the Economy in Indonesia. In addition, NCAPEC and other stakeholders will explore how best to broaden the conversation to directly incorporate other major APEC work streams, such as APEC’s Ministerial and Senior Officials Meetings, into the conversation.
- During the APEC 2012 CEO Summit, the National Center worked closely with Wal-Mart and the Russian National Business Centre for APEC to engage several senior private sector representatives in a discussion on strategies that encourage inclusive work environments and leadership opportunities for women in business. Private sector representatives and the

Department of State have expressed interest in building on the initial conversation with a focused, sustainable private sector initiative. **The National Center will reach out to companies and associations to gain additional feedback on how the initiative will be structured and determine what specific deliverables should be pursued.**

- In 2013, advocates of the Women and the Economy issue will engage with policymakers in APEC's diverse array of working groups to demonstrate the connection between the economic inclusion of women and APEC's core themes of trade, investment and economic growth. To support this effort, the **National Center will explore securing official ABAC endorsement for a report that concisely and effectively articulates the economic case for the issue, incorporates feedback from companies, and leverages ongoing work in other fora such as the OECD.**

For more details on this strategy session, contact [David Boman](#).

Plenary Session Summaries

APEC 2012 PwC CEO Survey Results



The Executive Roundtable opened with a presentation by Cristina Ampil and Cynara Tan of PricewaterhouseCoopers, which for the second consecutive year has partnered with the National Center for APEC to produce the APEC CEO Survey for release at the CEO Summit. The results of the 2012 CEO Survey revealed issues CEOs view as threats to business in the APEC region, issues they see as opportunities and what they expect from APEC economies in the future. The presentation also included results focused on the perspectives of CEOs in China. Results showed that business leaders from across the region are most concerned about spikes in oil prices and a U.S. recession as potential threats to growth, while CEOs in China saw a slowdown in China to be more worrying due to increased investment in the country. The problem of talent shortages and the quality of the talent pool is also a top concern for all. In the area of investment, CEOs from developed economies focus on Hong Kong, China and the U.S. and are investing in growing their customer base and talent, while CEOs from developing economies diversify their investments more and are comfortable investing in other fast-growing economies. Business leaders also feel that APEC should prioritize the removal of barriers to trade in services and create further bilateral trade agreements, and 49% say APEC should focus on free flow of investments and harmonization of regulations and standards. Overall, CEOs in the region (particularly the Chinese) feel confident about the long-term prospects of revenue growth.

Indonesia 2013 – Priorities for APEC and ABAC



The Roundtable session entitled “Indonesia 2013 – Priorities for APEC and ABAC” identified the public and private sector priorities for Indonesia’s hosting of APEC. The session was moderated by Laura Hudson,

of Chevron, and featured Indonesian Ambassador to the United States Dino Patti Djalal and Wishnu Wardhana who will Chair both ABAC and the 2013 APEC CEO Summit. Under Indonesia's leadership, APEC will focus on attaining the Bogor goals, which were adopted in 1994 in Bogor, Indonesia and set open trade and investment goals for industrialized and emerging economies. APEC will enhance trade facilitation, strengthen the multilateral trading system, and act as an incubator of ideas to help achieve progress in the WTO. APEC officials will also address sustainable growth by improving the competitiveness of SMEs, enhancing financial inclusion, addressing climate change, improving food security, and creating a regional economy that promotes and sustains entrepreneurs. Finally, APEC officials will address regional connectivity, as well as enhance productivity by improving the connectivity of people, goods, and services in the region. ABAC will focus on strengthening economic foundations and financial structures for balanced, inclusive and sustainable growth, as well as promote robust regional economic integration, infrastructure and sustainable development, inclusive growth, as well as the development and integration of financial markets.

U.S. Government Priorities and Initiatives for APEC 2013

Participants were provided with an overview of the US government's objectives and plans for the APEC Indonesian host year. The session was moderated by Hugh Stephens of Time Warner and included



Wendy Cutler and Arrow Augerot from USTR (via teleconference), Craig Allen from Commerce, Michael Kaplan from Treasury and Raymond Greene from State. Wendy began by highlighting the practical outcomes and achievements from the last two APEC years and discussed plans to build on them with initiatives such as the development of implementation practices for the APEC Innovation and Trade Policies agreed to in 2011 and continuing to pursue further technical work on implementing tariff reductions on the Environment Goods

and Services list that APEC economies agreed to in 2012. Craig Allen followed by providing an overview of his agency's broad engagement in APEC, including Commerce's ongoing efforts to address a number of key barriers that are broadly faced by SMEs in the region and its direct participation in a number of ongoing initiatives and work streams in APEC such as e-commerce, data privacy, addressing counterfeit medicines. Ray Greene, who chairs APEC's Economic Committee, explained how State will be instrumental in working with the Indonesians to develop the APEC 2013 agenda. In addition, State will continue to provide support for a broad array of key APEC initiatives, including facilitating public private partnerships such as the Policy Partnership for Science, Technology and Innovation (PPSTI). Michael Kaplan closed the panel by outlining how themes and lessons learned from Treasury's work on issues such as financial inclusion and infrastructure financing in other multilateral organizations are directly applied to its work in APEC. Treasury sees APEC as its primary window to engage with Asia and hopes to use it as an opportunity to reinforce the core message of balanced and sustainable growth that is driving discussions in the G-20.

2013 APEC CEO Summit Overview



Wishnu Wardhana, Chairman of the 2013 APEC CEO Summit, and Monica Hardy Whaley, President of the National Center for APEC, provided details on the status of the Summit program, logistics and sponsorship. The APEC CEO Summit Host Committee is committed to creating a program that includes engaging discussion with APEC Leaders on-stage, robust debate, and interaction with newly elected leadership from several key economies in the APEC region. The CEO Summit Host Committee is already in frequent

communication with the government about logistics and will ensure access to top class facilities for attendees. Sponsorship levels and benefits were presented by Monica Whaley, who announced that U.S. company participation will be coordinated through the National Center for APEC, as the CEO Summit's Strategic Partner.

For more details on the 2013 APEC CEO Summit, please contact [Robert Modarelli](#).

Pathways to a Free Trade Area of the Asia Pacific



The final panel of the Roundtable entitled “*Pathways to a Free Trade Area of the Asia Pacific (FTAAP)*,” focused on how trade agreements in the Asia Pacific, specifically the Trans Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP), will impact the development of an FTAAP. The session was moderated by Ralph Carter of FedEx and included Professor Vinod Aggarwal of the University of California, Berkeley; Tami Overby of the United States Chamber of Commerce; and Monica Whaley of the

National Center for APEC. The ABAC has continually reiterated the goal of a free trade area of the Asia Pacific and many in the private sector view any advance toward that goal as progress, however the challenge is how the TPP and RCEP can be developed in a complementary manner. Many see the RCEP as a more readily feasible and inclusive agreement, whereas the TPP aspires to create higher standard agreement. Panelists discussed the ramifications of competing agreements with vastly different standards and the impact it may have on trade liberalization.