

ABAC Meeting Overview

ABAC for Trans Pacific Partnership (TPP) Meeting

Date: Thursday, October 3

Time: 0800-0900

Venue: Lobby level, Ayana Hotel, Ixora Room

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 objective is to leverage the ABAC to advocate for compatibility with the ultimate goal of a Free Trade Area of the Asia Pacific as the target. The early conclusion of the TPP and information sharing among private sector stakeholders are additional important objectives of the ABAC for TPP group. 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 ensure compatibility and conclusion of 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. In 2013 ABAC TPP Members sent letters of support to their respective government negotiators.

The most recent round of negotiations were in DC and concluded on September 21. TPP Ministers' and Leaders' will meet next on the margins of the APEC meetings in Bali, Indonesia. Trade Representative Michael Froman and the other 11 TPP trade ministers will use their Bali meeting to discuss pathways forward on remaining issues and plans for concluding the negotiation. In Bali, they will offer a status report on the negotiations to President Obama and the other TPP Leaders, who have called on negotiators to complete the agreement this year.

October 3 Meeting Agenda

The agenda for this meeting has not yet been posted.

ABAC Meeting Overview

Asia-Pacific Financial Forum Caucus Meeting

Date: Wednesday, October 2, 2013

Time: 1400 - 1630

Venue: Ayana Resort and Spa, *Jasmine Room*.

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. APEC Finance Ministers endorsed ABAC's proposal for the creation of an Asia-Pacific Financial Forum.

APFF Vision

The APFF will be 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

ABAC will refine the APFF work program, based on the discussions at the APEC Finance Ministerial Meeting, and identify a multi-year work plan.

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

ABAC Women's Forum (AWF) Luncheon

Date: Thursday, October 3, 2012

Time: 12:15-1:30

Venue: Lobby Level- Ixora

Background

This meeting will serve as a working luncheon for the ABAC Women's Forum hear a readout from the Policy Partnership on Women in the Economy meetings which took place in early September in Bali, to review progress on deliverables for the 2013 and plan for next steps for 2014. Although primarily attended by female staffers and ABAC members, the Women's Forum is open to everyone.

Agenda:

No agenda available

ABAC Meeting Overview

APEC SME Forum on Innovation

Date: Saturday, October 5, 2013

Time: 0900 - 1200

Venue: Ayana Hotel

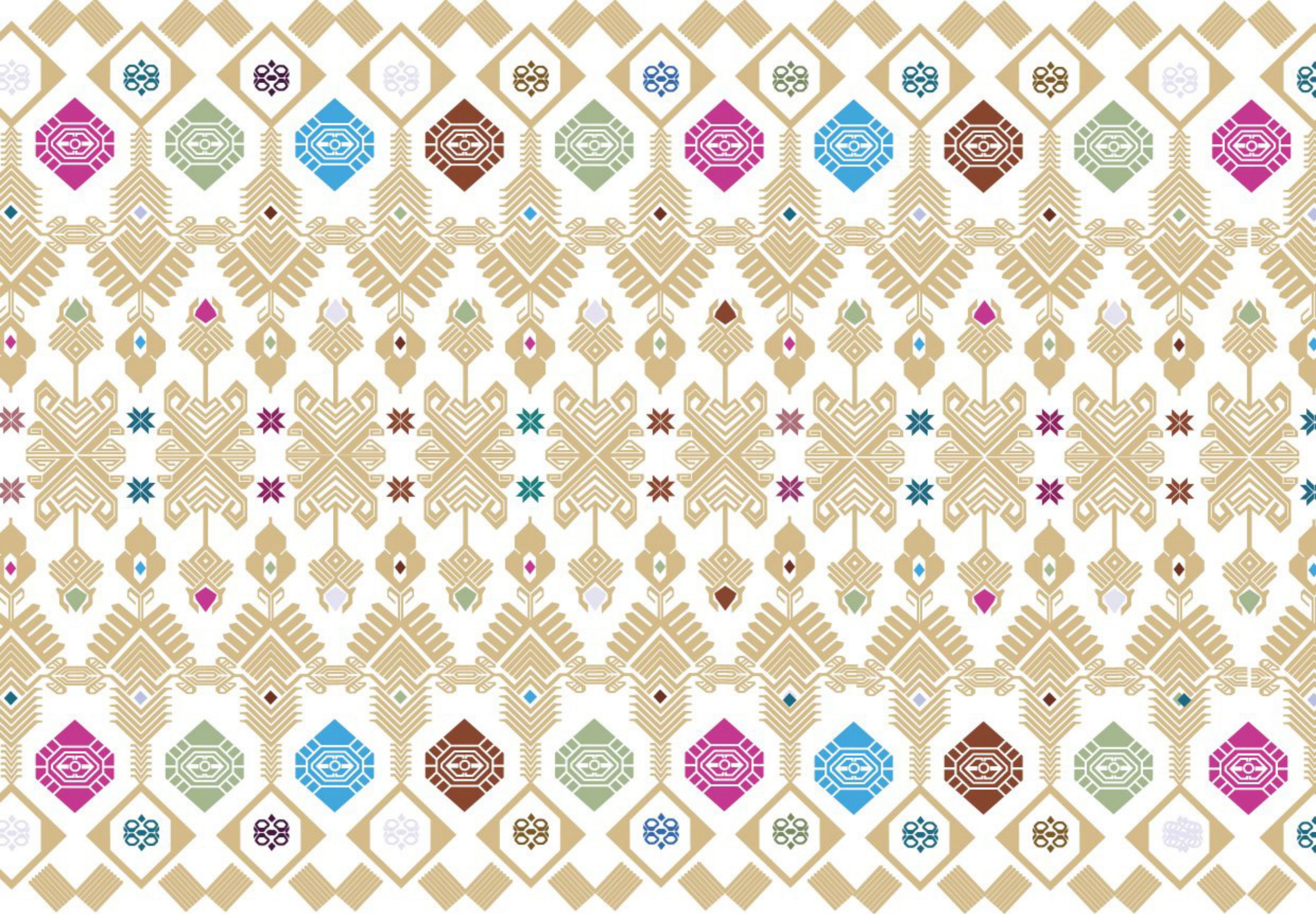
Background

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 Fourth ABAC meeting, ABAC Indonesia 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 “SMEE: Big Mentors”

How outstanding mentors can shape and engineer the success of Indonesia and Asia Pacific’s small and medium enterprises.

Agenda attached.



APEC

SMEE Summit
Bali, 5 October 2013



VIP
INVITATION



SMEE: BIG MENTORS

"How outstanding mentors can shape and engineer the success of Indonesia and Asia Pacific's small and medium enterprises"

The Ayana Hotel, Bali, Indonesia
Saturday, 5 October 2013
09:00 - 12:00 (morning with lunch)

RSVP:

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ABAC Secretariat

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"Small Medium Enterprises are the most dominant economic force in Indonesia's economy. There are 55.2 million SMEs in Indonesia, representing, 99.97% of businesses in the country. SMEs account for 97.3% of Indonesia's total workforce, and contribute 57.2% towards the nations GDP."

- **The Ministry of Small Medium Enterprises, Indonesia (Kompas, 29 June, 2013)**

In light of the above statistics affirming the importance of Indonesia's SMEs, we cordially invite you to attend one of the highlights of the APEC conference series in Bali.

Leading panel experts will be discussing:

- ❁ The economic value of mentors in guiding, teaching and educating SMEs on the practicalities, rules, keys and secrets of building successful businesses
- ❁ Should mentoring be a formal or informal process with a rigid selection criteria, mentor education process, timelines, deliverables and key performance indicators?
- ❁ How can the government, big business, chambers of commerce, media and influential business organisations collaborate to promote an active national mentoring ecosystem?
- ❁ How can national mentoring programs be regionalised so SMEs and mentors from Asia Pacific can connect, share and collaborate optimally to advance the region?

SCHEDULE

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| ❁ <i>Welcome Speech</i> by
Erwin Aksa , APEC SMEE Summit 2013 Committee Chair and Vice Chairman,
Indonesian Chamber of Commerce | 09.00-09.05 |
| ❁ <i>Introduction Speech</i> by
Juan Raffo , ABAC SMMEE Working Group Chair | 09.05-09.15 |
| ❁ <i>Keynote Speech</i> by
Minister Syarif Hasan , Minister of Cooperatives and Small, Medium Enterprises | 09.15-09.30 |
| ❁ <i>Panel Discussion 1</i>
Gatot Suwondo , President Director and Chief Executive Officer, BNI
Harun Hajadi , President Director, Ciputra Surya
Raoul Oberman , Chairman, McKinsey & Company, Indonesia
Aditya Chandra Wardhana , Moderator and Chief Executive Officer, Bloomberg TV Indonesia | 09.30-10.30 |
| ❁ <i>Art Performance</i> | 10.30-10.35 |
| ❁ <i>Panel Discussion 2</i>
Sandiaga Uno , Chief Executive Officer, Saratoga Capital
Sati Rasuanto , Managing Director, Endeavor
Raja Sapta Oktohari , Chairman, HIPMI
Muhammad Ajie Santika , Chief Executive Officer, Tinker Games
Wempy Dyocta Koto , Course Director, Moderator and Chief Executive Officer, Wardour and Oxford | 10.35-11.35 |
| ❁ <i>Closing Remarks</i> by
Wiweko Adi Nugroho , APEC SMEE Summit 2013 Leader and Chairman, Link & Beyond | 11.35-11.45 |

Welcome Speech:

Erwin Aksa

APEC SMEE Summit 2013 Committee Chair and Vice Chairman, Indonesian Chamber of Commerce

Mr Aksa is the CEO of Bosowa and Vice Chairman of KADIN - Indonesia's Chamber of Commerce, leading the portfolio of small and medium enterprises. Mr Aksa is the former Chairman of HIPMI - Indonesia's Young Entrepreneurs Association and a graduate of the University of Pittsburgh in the United States.



Introduction:

Juan Raffo

ABAC SMME Working Group Chair

Mr Raffo is the head of Raffo group within the apparel and textile industry. He serves as the 2013 ABAC SMME Working Group Chair.



Keynote Speech:

Minister Syarif Hasan

Syarief Hasan, Minister of Cooperatives and Small, Medium Enterprises

Mr Hasan leads government policies for cooperatives, small and medium enterprises, driving commerce, entrepreneurship and economic resiliency. Mr Hasan holds a Master of Business Administration from California State University.



Gatot Suwondo

President Director and Chief Executive Officer, BNI

"Mentoring, promoting and empowering Indonesian SMEE's through Kampoeng BNI"

Mr Suwondo is the Chief Executive Officer and President Director of BNI, one of Indonesia's leading banks. Prior to BNI, Gatot served as Managing Director of Bank Danamon and Group Head of Credit Restructuring and Settlement at Bank Duta. He holds a Master of Business Administration from International University at Manila in The Philippines.



Harun Hajadi

President Director, Ciputra Surya

"Mentoring and accelerating Indonesia's SMEE's through the Ciputra Entrepreneurship School"

Mr Hajadi is the President Director of Ciputra Surya, one of Indonesia's most prominent property companies. Harun commenced his career in the United States as an assistant investment analyst at FOX Group and joined Ciputra Development in 1998 as a business development manager, rising to become the head of the company. Mr Hajadi holds a Master in Business Administration from the University of Southern California.



Raoul Oberman

Chairman, McKinsey & Company, Indonesia

"Empowering and scaling Indonesian SMEs with technology"

Mr Oberman is the Chairman of McKinsey in Indonesia. He leads McKinsey's work on biosystems, including biofuels, biomass-based power generation, biochemicals, and REDD - reducing emissions from deforestation and forest degradation in developing countries. Raoul is a past president of the American Chamber of Commerce in the Netherlands and holds a Doctorate in Finance from Frankfurt University.



Aditya Chandra Wardhana

Moderator and Chief Executive Officer, Bloomberg TV Indonesia

Mr Wardhana is the Chief Executive Officer of Bloomberg, Indonesia. Previously, he served as a Director and Senior Vice President at Indo Pacific Edelman, where he founded the firm's practices in financial communications, government relations and public affairs management. Today, he remains as a member of Indo Pacific Edelman's Board of Advisers. Mr Wardhana holds a Ph.D in Southeast Asian Political Economics at Oxford University in the United Kingdom.





Sandiaga Uno

"Financially empowering and mentoring Indonesian SMEE's"

Mr Uno is the founding partner and CEO of Saratoga, a private equity firm focused on natural resources and infrastructure investment in Indonesia and Southeast Asia. He also holds directorships at Adaro Energy, Interra Resources, LintasMargaSedaya and co-founded investment firm, Recapital Advisors. Mr Uno is the former Chairman of HIPMI - Indonesia's Young Entrepreneurs Association and was awarded Enterprise Asia's coveted Entrepreneur of the Year. Mr Uno holds a Master of Business Administration from George Washington University.

Sati Rasuanto

Managing Director

"Grooming and mentoring SMEE's to become high-impact entrepreneurs"

Ms Rasuanto is the Managing Director of Endeavor Indonesia, a global network committed to identifying, selecting and accelerating high-impact entrepreneurs in emerging markets. She is also the founding editor of Strategic Review: The Indonesian Journal of Public Policy, Leadership and World Affairs. Prior to Endeavor, Ms Rasuanto worked at the World Bank and Indonesia's Investment Coordinating Board. She holds a Master of Financial Management from the University of Melbourne in Australia.



Raja Sapta Oktohari

Chairman, HIPMI

"Mentoring the new and young generation of Indonesian SMEEs"

Mr Oktohari is the Chairman of HIPMI - the Indonesian Young Entrepreneurs Association dedicated to promoting, grooming and mentoring its thousands of young member entrepreneurs across the country. Mr Oktohari also serves as the President Director of OSO Group focused on a broad range of industries. Mr Oktohari is a graduate of Oklahoma City University in the United States.



Muhammad Ajie Santika

"Mentoring requirements and experiences of a new SMEE"

Mr Santika is the Chief Executive Officer of Tinker Games, a mobile game developer aiming to be the best in Asia, creating games for smartphone and tablets. After co-founding Tinker Games with classmates at the Institute of Technology, Bandung, venture development company Systec viewed Tinker Games' potential, and financially invested in the company. Indonesia's Minister of Tourism and the Creative Economy has appointed Tinker Games to represent Indonesia in London. Mr Santika holds a Bachelor in Marketing Management from the School of Business and Management Bandung Institute of Technology (ITB), Indonesia.



Wempy Dyocta Koto

Course Director, Moderator and Chief Executive Officer, Wardour and Oxford

Mr Koto was named by Fortune magazine as one of the world's trailblazers and a 'master of global business'. United Nations award-winning Strategic Objectives ranks him as the world's 120th top social CEO behind Richard Branson, Bill Gates, Oprah Winfrey and Donald Trump. Working in London, Sydney, Singapore and Hong Kong for Ogilvy, Wunderman and Y&R, Mr Koto rose to become Global Business Director in San Francisco. Globally launching brands such as Microsoft, Citigroup, American Express, Sony and Samsung, Mr Koto was bestowed an Asia Pacific Entrepreneurship Award. Mr Koto holds a Master of International Studies from the University of Sydney.



Closing Remarks:

Wiweko Adi Nugroho

Chairman, Link and Beyond

Mr Nugroho is a prominent brand and talent consultant, working with world-leading companies such as Citibank, Shell, ConocoPhillips and Mercedes-Benz, to optimise their customer experiences. Mr Nugroho serves as Director of the 2013 APEC SMEE Summit and holds a Master in Hospitality and Business Management at the International Hotel Management Institute University Centre in Switzerland.

