



Meeting Recaps

- *APEC Business Advisory Council III, August 25-27, 2009 Da Nang, Vietnam*
- *SOM II and Trade Ministers Meeting, July 18-27, 2009 Singapore*
- *2009 NCAPEC Board Retreat, September 2-3, 2009 Bellevue WA, USA*

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Report on ABAC III

ABAC members gathered in Da Nang, Vietnam from August 24 - 27 for their third meeting of 2009 to finalize their key messages and recommendations to APEC Leaders. U.S. ABAC members Deb Henretta of Procter and Gamble, Nick Reilly of General Motors and Peter Scher of JP Morgan Chase & Co. represented the interests of the U.S. private sector at the meeting.

While in general members expressed more optimism about the direction of the global economy than in the February and May ABAC meetings, a majority shared the sentiment that many hurdles need to be cleared before the region returns to a



ABAC members attend the opening plenary of ABAC III in Da Nang, Vietnam.

trend of robust growth. It was also evident that economies in the region are looking to the United States for leadership on the trade agenda, especially in regards to the Free Trade Area of the Asia Pacific, an initiative supported by the Bush Administration. From the point of view of many members, whatever position the current U.S. administration adopts on the Trans Pacific Partnership negotiations

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SENIOR OFFICIALS, TRADE MINISTERS EMPHASIZE RECOVERY, INTEGRATION, FACILITATION IN JULY TALKS

The annual meeting of APEC Ministers Responsible for Trade (MRT) as well as the second APEC Senior Officials' Meeting for 2009 (SOM II) were held in late July in Singapore. Both meeting agendas emphasized renewed focus on the threefold agenda of addressing the crisis and positioning for recovery, accelerating regional economic integration (REI), and supporting the multilateral trading system (primarily through expression of renewed commitment to successful completion of the Doha round). These meetings included prioritization of trade finance facilitation as well as much discussion of 'inclusive growth,' which roughly speaking means focus on ensuring growth (and the benefits of growth) are distributed within APEC economies and sectors, as well as vertically within those societies. Both SOs and Ministers also renewed APEC's commitment to resisting protectionism as a response to domestic economic troubles.

In addition to the official meetings, a number of business activities were organized on the margins of these meetings by the U.S. APEC Business Coalition (co-chaired this year by the National Center and the US-ASEAN Business Council). The first of these was a business meeting with U.S. Senior Official Kurt Tong and A/USTR Wendy Cutler, in which the speakers reemphasized the administration's focus on APEC and the need for continued business input to the policy development process. Ms. Cutler noted that the administration recognizes APEC as a way to keep forward movement on key trade issues even in a period where

trade issues are more politically sensitive domestically.

Later in the week the Coalition partnered with the Singapore Business Federation to sponsor an MRT "Lunch with Business." This event gave business representatives a chance to discuss issues



USTR Ron Kirk (top left), WTO Director Pascal Lamy (top right) and Trade Minister Lim Hng Kiang (bottom left) spoke at an MRT Lunch sponsored by the U.S. APEC Business Coalition and the Singapore Business Federation.

with trade ministers over lunch, and included panel discussion featuring USTR Ron Kirk, Singapore Trade Minister Lim Hng Kiang, and WTO Director-General Pascal Lamy. The discussion was moderated by Derek Williams of Oracle Corporation. Minister Lim focused on highlighting Singapore's 2009 agenda with its focus on a comprehensive approach to trade issues 'at, across, and behind borders'. Ambassador Kirk reiterated U.S. commitment to APEC as a core element underscoring U.S. commitment to the

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As many of you know, the National Center for APEC recently held its annual Board Retreat at Microsoft's Executive Briefing Center. As the Center's Chairman, I was fortunate enough to spend a few beautiful autumn days in the Pacific Northwest, working closely with many of our members on developing a shared vision for the future of the Center and of the business role in APEC. I came away from the experience very optimistic about both. More than 25 of the Center's 38 Board member companies attended the Retreat, and each company came with its own priorities and understanding of what makes APEC important to their firm. Over several hours of frank discussion we found many points of convergence, and began to outline a shared vision for the way forward.

Some of the liveliest discussion focused on the concept of changing the nature of the current APEC Ministerial meetings to one in which the private sector can play a much larger, leading role. The Center's Vice Chair for Policy, Scott Miller of Procter & Gamble, compared this vision of a revised event to something more like the Paris Air Show, featuring high profile deals, major business and investment announcements and a more visible linkage between public and private sector engagement in APEC. Many of our Board members were very intrigued by this prospect and I have asked Monica and the Center staff to explore the possibilities of this concept in greater detail.

In addition to discussions among ourselves, we had far-reaching and substantive

dialogue with several guest speakers, including Congressman Rick Larsen, who reiterated the point that in speaking to members of Congress, it all comes down to jobs in the district. The more all of us can make APEC and our work in the Asia-Pacific real in terms of employment numbers in various U.S. states and congressional districts, the stronger our message on the importance of trade and the region will be on the Hill. Later that evening James Green, senior member of the State Department Policy Planning Staff, joined us for dinner and reemphasized the importance of Asia to the Administration's overall foreign policy effort. We were also joined by teleconference on the second day with Fred Bergsten, who encouraged some creative thinking about how the U.S. might usefully leverage the APEC hosting in 2011 to advance the United States' broader trans-Pacific interests.

Above all, after this Retreat I am more confident than ever that the Center and its members share a commitment to the Center's success and to U.S. success in APEC. As our Board membership continues to grow (with seven new members joining in the last 6 months alone), we are well supported and fully prepared to coordinate the private sector host committee for USA APEC 2011. Thanks to all for your continued support, intellectually and materially, to the success of the Center. I look forward to continuing our work together in the coming months.

A handwritten signature in black ink that reads "Karan Bhatia".

-Karan Bhatia, NCAPEC Chairman

July Talks (continued)

region and to being part of regional economic integration and growth. Lamy took note of APEC's nature as a distinct from the WTO, and a forum suited to working on the practical aspects of increasing trade.

Following the lunch, Ambassador Kirk met with a group of U.S. companies for an opportunity to discuss more candidly and in greater detail U.S. trade policy priorities and the administration's APEC agenda. He characterized the President's trade policy as pragmatic, but recognized the need to work with differing viewpoints in Congress. He reiterated a commitment to work with business to identify and pursue 'what works'. He also again strongly underscored commitment to

APEC, and said the administration is looking forward to 2011 as a real opportunity for the U.S. and the region.

On the subject of U.S. participation in the Trans-Pacific Partnership, Kirk noted the potential for the U.S. in the agreement and expressed hope that the administration would be in a position to make a more concrete announcement at the APEC Ministerial meeting in November.

He also reiterated the long-standing position that government looks to business for help in communicating to Congress and the public that a trade policy focused on helping U.S. companies compete globally is a key to promoting growth at home and preserving U.S. jobs.

will be taken as a clear indicator of its stance on its approach to trade policy in the Asia-Pacific.

ABAC members also discussed the potential for further implementation of protectionist measures by APEC economies. The results of studies conducted by World Trade Organization and multilateral development banks indicate that economies have refrained from the dramatic slide towards protectionism seen during the Great Depression. Nevertheless protectionist policies, both explicit and tacit, that have been implemented by APEC economies over the past year continue to worry the private sector.

The conclusions reached by ABAC over the course of this year's meetings are captured in three documents that were finalized in Da Nang: the "ABAC Letter to Leaders"; the "ABAC Report to Leaders"; and the "ABAC Report to Finance Ministers". The "ABAC Letter to Leaders" and "Report to Leaders" will be released in mid-October. The "Report to Finance Ministers" is currently available on the National Center's website. The U.S. ABAC members will present the "ABAC Report to Leaders" to the US administration during the month of October. ABAC members will also meet in person with APEC Leaders this November to communicate the recommendations and collectively represent to them the concerns of the business community in the Asia-Pacific region.

Finally, in preparation for the U.S. chairmanship of ABAC in 2011, U.S. ABAC members met with ABAC members from Singapore (2009 Chair) and Japan (2010 Chair) to discuss continuity in work plans and themes from 2009 - 2011. Members agreed to work together to maintain continuity in ABAC's priorities and structure over the next two years to ensure consistent messaging and engagement from the private sector to APEC officials.

ABAC AND NCAPEC COMMISSION FOOD SECURITY PAPER



In September the National Center announced that it will collaborate with the ABAC in commissioning a study to review the APEC Food System. The intent of the study is to update the APEC Food System, first endorsed by Leaders 10 years ago, in light of current developments in

the food security situation in the Asia-Pacific region. The final product will seek to advance an overarching food security strategy for the region, one that is based on the APEC Food System and consonant with similar ongoing regional and global food security projects. This strategy will then provide a basis for coordinating the many various food security programs being advanced in APEC's many sub-fora.

The study will be produced by the International Food and Agricultural Trade Policy Center (IPC), a non-profit organization that "promotes a more open and equitable global food system by pursuing pragmatic trade and development

policies in food and agriculture to meet the world's growing needs." The international team of experts who will develop the study will be led by Robbin Johnson, President of the Cargill Foundation and Senior Policy Advisor at the University of Minnesota's Humphrey Institute of Public Affairs. The study will include input from noted experts from APEC economies including Australia, Chile, China, Japan, the Philippines and the U.S.

The final paper will be presented to the ABAC at its fourth meeting in Singapore in November, and released for general distribution during the APEC CEO Summit week, November 12-14.

Board Member Updates

Baxter

New Board Member Baxter International Inc. will be represented by Ms. Marie Kissel, Director of Government Affairs & Public Policy/Director of Government Affairs Asia Pacific



New Board Member Underwriters Laboratories Inc. will be represented by Keith E. Williams, President and Chief Executive Officer.



Returning Board Member New York Life Insurance will be represented by Frances Arricale, Vice President of International Governmental Affairs

Cargill

Current Board Member Cargill Incorporated will now be represented by Devry Boughner, Director of International Business Relations

2009 NCAPEC Board Retreat Sets Strategic Direction

The National Center for APEC held its annual Board Retreat on September 2-3, 2009. Representatives from twenty-five NCAPEC Board Member companies joined NCAPEC staff and guest speakers in a series of in depth roundtables on APEC policy agendas. The group collaborated on a strategy for engaging the new administration on trade issues, and developed a strategic vision for the future of the National Center and the private sector effort to support the U.S. hosting of APEC in 2011.



From left to right: NCAPEC Chairman Karan Bhatia, Rep. Rick Larsen, and National Center President Monica Whaley address NCAPEC board members during the inaugural roundtable of the retreat.

The retreat kicked off with a roundtable discussion with Congressman Rick Larsen (D-WA) Co-Chairman of the House APEC Caucus. Rep. Larsen praised the work of the National Center in support of the trade agenda, and also candidly discussed the mood in Congress on the issue of international trade. Later that day, James Green, Office of Policy Planning in the U.S. Department of State, led the first evening's discussions, describing

for members steps the State Department was taking to support international trade and U.S. businesses.

The second day's discussions focused on the APEC policy agenda. Board Members began by discussing the strengths and weaknesses of the current APEC system. It was generally agreed that APEC is the region where U.S. business has both the greatest opportunities and the greatest challenges. Over the course of several discussions, it was determined that APEC's strength lay in its ability to collaborate with the private sector. Subsequent discussions focused on determining how to capitalize on the strengths of the unique APEC architecture, and how to address weaknesses preventing it from reaching full potential.

Board Members and staff took part in an engaging teleconference with Dr. Fred Bergsten of the Peterson Institute for International Economics, in which he vehemently argued for increased U.S. engagement in the Asia Pacific region, specifically the TPP and FTAAP. The retreat concluded with a strategic look at the role that the National Center will be playing in 2011, how it will continue to address the needs of U.S. businesses, and how it will utilize the hosting of APEC in 2011 as a launching pad for further cooperation in pursuit of business partnerships in Asia-Pacific trade.

Final Preparations for Singapore 2009



Final preparations are well underway as Singapore prepares to host APEC's penultimate

week of meetings in mid-November.

Five meetings held over the seven days from November 9-15 Singapore will mark the culmination of the 2009 APEC meeting cycle. It is understood that this year's Summit will also be a significant stop in President Obama's first trip to the region, and with anticipation high that he may give an address at this year's CEO Summit, we anticipate very high level of turnout from the international business community.

As in past Summit weeks, the city will host a series of meetings including the final ABAC meeting, 2009 APEC CEO Summit and APEC Leaders' Meeting. The main draw for business participants will be the 2009 APEC CEO Summit which will be held from November 12-14. Organizers have invited key APEC Leaders to speak at the Summit, including Chinese President Hu Jintao, President Obama, and new Japanese Prime Minister Hatoyama. A wide range of senior business executives will also be on the agenda, including Exxon CEO Rex Tillerson, Craig Mundie of Microsoft, and U.S. ABAC member Deb Henretta of Procter & Gamble.

The venue for the Summit will be Singapore's Suntec Convention Center, and organizers expect between 800 - 1,000 participants to attend the event. U.S. delegates will generally be accommodated in the Swissotel Stamford or the Fairmont Hotel in downtown Singapore, a short distance from the Summit venue. Shuttle bus service will be provided to all venues.

Other events scheduled for the week include:

- The National Center for APEC's Annual Luncheon on Thursday the 12th, with invited keynote speaker U.S. Secretary of Commerce Gary Locke;
- An energy workshop on 'future fuels' and diversification, hosted by the National Center and the ABAC, featuring Chevron Vice Chairman John Watson and an international panel of experts;

- A forum on the APEC Customs Transparency Initiative, put on in conjunction with the USCIB;
- Requested U.S. business delegation meetings with senior U.S. government officials including USTR Ambassador Ron Kirk, Deputy National Security Advisor Mike Froman, and Undersecretary of State Robert Hormats;
- Requested U.S. business delegation meetings with selected APEC leaders or ministers, including invitations to China, Korea, Japan, Australia, Vietnam, and Indonesia.

Exact timing and participants for many of these events will be confirmed in coming weeks, and we will keep registered Singapore attendees informed of the schedule as it develops. Registered U.S. delegates are eligible to attend any of these events, but we encourage companies to monitor our updates and RSVP for any confirmed events they wish to attend.

For further information on how to register or attend any of these events, please contact the National Center as soon as possible. We look forward to seeing many of you there!

The National Center for APEC has moved

The National Center for APEC has moved into the historic Logan Building in the heart of downtown Seattle, WA.



Our new address is:

The Logan Building
500 Union Street Suite 300
Seattle, WA
98101-4035

Phone and fax lines remain the same:

Phone: 206-441-9022
Fax: 206-441-1006
Web: www.ncapec.org

Japan Prepares to Host APEC in 2010

Japan's preparations for hosting of APEC in 2010 are well underway. The National Center is also in the midst of preparing for 2010 through a number of channels. In the APEC Business Advisory Council the US ABAC members have had a number of meetings with members from Japan and Singapore to discuss continued cooperation and maintenance of a three-year agenda, designed to carry work from 2009 through 2011 and beyond. ABAC USA is now working with ABAC Japan on the development of a unified 2010-2011 agenda that could be presented in Singapore this November.

National Center President Monica Whaley attended a Mansfield Foundation-sponsored event on October 1 in Tokyo discussing how the U.S. and Japan can leverage their consecutive hostings of APEC. While in Tokyo, Monica also met with leadership of the ACCJ along with U.S. APEC Senior Official Kurt Tong. She also met with Tokyo-based representatives of several NCAPEC board member companies.

The formal announcement of specific themes and objectives for Japan's hosting of APEC have been delayed by the election of a new government, led by the Democratic Party of Japan. However, the Japanese government has indicated that it will build on the foundation set by Singapore this year, including inclusive growth, regional economic integration and food security.

Additionally, Japan has identified the sites and set many of the dates for the APEC events it will host in 2010. A number of ministerial meetings will be held including Trade, Finance, Energy, Information & Telecommunications and APEC's first ever agriculture-related ministerial. See the calendar on the last page of this newsletter for more information on upcoming meetings and dates.

NCAPEC to Launch New Website

The National Center's new website will be launched by November 1, 2009. The new website will provide the National Center with enhanced web presence, and improve communication capabilities through simplified access to information and ease of navigation. For more information, please contact the National Center.

2009 – 2010 Calendar of Upcoming Events

<u>2009</u>		
October 8-9	SME Ministerial	Singapore
October 20	Pre-Summit Policy Brief for Business	D.C.
November 8-11	ABAC IV	Singapore
November 12	NCAPEC Annual Luncheon	Singapore
November 12	Finance Ministers' Meeting	Singapore
November 12	ABAC/NCAPEC Energy Workshop	Singapore
November 11-12	Joint Ministerial Meeting	Singapore
November 12- 14	APEC CEO Summit	Singapore
November 14-15	APEC Leaders' Meeting	Singapore
December 9-11	APEC 2010 Symposium	Tokyo
<u>2010</u>		
Jan TBD	State Department Roundtable	D.C.
Jan TBD	NCAPEC Executive Roundtable	TBD
Feb 22—March 7	SOM I	Tokyo
May 24—June 4	SOM II	Hiroshima
June 5—6	Trade Ministers Meeting	Sapporo
June TBD	Energy Ministerial	Fukui
September 15—26	SOM III	Sendai
October 2—3	SME Ministerial	Gifu
October 16—17	Ag Ministerial	Niigata
October 30-31	Telecommunications and Information Ministerial	Okinawa
November 6	Finance Ministers Meeting	Kyoto
November 7—14	SOM IV, Ministerial, Leaders	Yokohama

SAVE THE DATE

National Center for APEC Annual Luncheon

November 12, 2009

Raffles City Convention Center

**Collyer Room
Singapore**

The National Center for APEC will be hosting its Annual Luncheon in Singapore immediately prior to the 2009 APEC CEO Summit. This year, the invited speaker is United States Secretary of Commerce Gary Locke.

Table sponsorships are still available. Please call the National Center for more information.

National Center for APEC Sponsoring Energy Workshop in Singapore

The National Center will sponsor a workshop on energy security the afternoon of November 12th in Singapore. Keynote speaker George Kirkland, Executive Vice President of Global Upstream and Gas at Chevron will speak on the topic of energy security and future fuels. Mr. Kirkland has also been tapped to assume the role of Vice Chairman of Chevron. His remarks will be followed by an international panel of experts on the subject of diversification of supply to meet rising demand. The event is open to all members of the business community attending the APEC Summit in Singapore. For more information or to register, contact the National Center, or register directly at programs@ncapec.org.

National Center for APEC Celebrates its 15th Anniversary



2009 marks the 15th anniversary of the establishment of the National Center for APEC. Since 1994, the National Center for APEC has emerged as a leader in coordinating both public and private sector resources to advance free trade, investment, sustainable development, and trade facilitation throughout the APEC region.

As we move towards the U.S. hosting of APEC in 2011, the National Center is posed to play an even greater leadership role in coordinating and facilitating proactive U.S. business participation in the 2011 APEC activities. We would like to thank all of the Board Members, past and present, that have made this possible. The National Center has a bright future ahead of it, and we are committed to continuing our mission of facilitating U.S. private sector engagement in APEC and in support of our work as Secretariat to the U.S. representatives to the APEC Business Advisory Council (ABAC).