

## **10<sup>th</sup> ASEAN LEADERS & ASEAN-BAC DIALOGUE (OKM TEXT)**

18 November 2012 - Phnom Penh, Cambodia

### **INTRODUCTION**

His Excellency Samdech Akka Moha Sena Padei Techo Hun Sen,  
Prime Minister of the Kingdom of Cambodia and the Chairman of the 21<sup>st</sup> ASEAN  
Summit,

His Excellencies and Her Excellency Heads of State and Government of ASEAN  
Member States,

His Excellency Dr. Surin Pitsuwan, the Secretary-General of ASEAN,  
Distinguished Ladies and Gentlemen,

In supporting the building of the ASEAN Economic Community (AEC) and strengthening the region's public and private sector partnership, ASEAN-BAC is delighted to report to the ASEAN Leaders the following activities and recommendations:

### **2012 ASEAN BUSINESS AND INVESTMENT SUMMIT (ASEAN-BIS)**

This year marks the 9<sup>th</sup> year of ASEAN-BAC's effort in conducting the ASEAN-BIS. We are happy to report that the Council in collaboration with the Ministry of Commerce of the Kingdom of Cambodia and the Cambodian Chamber of Commerce are currently hosting the event here in Phnom Penh. The Business Summit this year sets the stage in highlighting the position of the ASEAN Economic Community (AEC) vis-à-vis the global community. More than 800 delegates have congregated and are currently discussing: the potential for

renewable energy in ASEAN; inter-ASEAN connectivity and infrastructure developments; ways to create more opportunities for entrepreneurs and SMEs; the socialisation of the ASEAN Comprehensive Investment Agreement (ACIA), and to further promote good corporate governance in order to continually promote ASEAN as an attractive destination for both trade and investment.

We are also happy to report that the awarding of the 2012 ASEAN Business Awards was successfully undertaken last night during the ASEAN-BIS Gala Dinner. This year's awarding have identified a total of 26 "Most Admired Enterprises" for large corporations and SME in the categories of Growth, Employment, Innovation and Corporate and Social Responsibility.

### **2011-12 ASEAN-BAC SURVEY ON ASEAN COMPETITIVENESS**

In 2012, ASEAN-BAC once again collaborated with the Lee Kuan Yew School of Public Policy, a graduate school of National University of Singapore, in conducting *The 2011-12 ASEAN-BAC Survey on ASEAN Competitiveness*. The Survey aims were to track business sentiments towards the attractiveness of ASEAN to trade and investments and the effectiveness of AEC Blueprint implementation.

Today, I would like to highlight to the Leaders of ASEAN some of the key points of the 2011-12 ASEAN-BAC Survey, which include the following 4 findings:

1. **THE ASEAN REGION HAS GOOD PROSPECTS FOR ATTRACTING INVESTMENTS**. 36.5 per cent of businesses indicated an ASEAN country as offering the best prospects worldwide for their organisation's offshore direct investments over a three-year horizon from 2011 to 2014.

2. **ASEAN'S OVERALL ATTRACTIVENESS INFLUENCE BUSINESS INVESTMENT DECISIONS.** A significant 39 per cent of businesses considered the investment attractiveness of ASEAN as a whole when planning their investments in ASEAN countries over the next three years. This might suggest that ASEAN's move to create a single market and production base is gaining recognition.
3. **THERE IS A CLEAR GAP BETWEEN HOW BUSINESSES VIEW THE IMPORTANCE OF AEC MEASURES AND THEIR LEVEL OF SATISFACTION.** The areas of implementation that businesses had identified as being among the least satisfactory related to increasing foreign equity participation in services sectors, consultation with businesses, development or enhancement of national competition policies and dissemination of information.
4. **FINANCING IS A CRITICAL AREA FOR SME DEVELOPMENT AND INTERNATIONALISATION.** Businesses want to see ASEAN member governments step up on a few other areas related to networking and information dissemination. Financing was rated by businesses to be by far the most important across 17 government initiatives, followed by the promotion of SME innovations and creativity. However, the areas that businesses across a number of ASEAN countries were least satisfied with included platforms to promote networking among SMEs in ASEAN, business missions to other ASEAN countries, information on opportunities from ASEAN and ASEAN-plus FTAs and FTA-related documents, and information on SME Service Centres, non-bank funding availability and available technology for SMEs in ASEAN.

## FUTURE DIRECTIONS

In the hope to address concerns highlighted, ASEAN-BAC would like to draw the Leaders' attention to **three exciting projects** that will be implemented in 2013.

1. **ASEAN Branding Project for SMEs** - Many SMEs in ASEAN still feel out of touch with the concept of ASEAN and AEC as they so little positive gain for their day-to-day business operation. In 2013, ASEAN-BAC hopes to work closer together with ASEAN SME Working Group to conduct a series of capacity building workshops for SMEs; develop SME newsletters to be disseminated via email; and revitalise the ASEAN Trade and Investment Centre (ATIC).
2. **ASEAN-BAC Study on ASEAN+1 FTAs Utilisation**– This project aims to stock-take the issues faced by the private sector in utilising ASEAN+1 FTAs, with a view to contributing to the formulation of the Regional Comprehensive Economic Partnership (RCEP). So far, there have been few systematic and in-depth studies on this issue. ASEAN-BAC hopes to build on these studies by collating and analysing the experience of the end-users of FTAs across all the ASEAN economies through a series of in-depth interviews and focus group discussions, with a focus on trade facilitation that covers behind-the-border measures.
3. **ASEAN-BAC Survey on ASEAN Competitiveness 2013** – With 2015 fast approaching, ASEAN-BAC hopes that the 2013 Survey, similar to the previous two surveys, can continue to provide useful feedback to policymakers on businesses' assessment of ASEAN's competitiveness for trade and investment and their satisfaction level with AEC implementation.

## **CONCLUSION**

In conclusion, ASEAN-BAC is firmly resolved to continually strengthen its role as the primary channel for aggregating private sector perspectives for the ASEAN policy process. We undertake to devote sufficient resources to the implementation of these three projects next year to ensure the successful delivery of high-quality outputs. We seek a strong endorsement from Leaders on these projects and look forward to reporting the findings and policy recommendations to Leaders at our dialogue session next year.

With AEC scheduled for 2015, there is still a great deal of efforts that needs to be addressed equally by the Governments and the private sector of ASEAN. ASEAN-BAC believes that in these final years, the success of AEC can only be achieved if commitments and decisions adopted are followed through with the political-will of Member States to promote them aggressively on national level.

Once again, I would like to thank you for this opportunity and your kind attention. ASEAN-BAC would be pleased to further deliberate on the above and other concerns of the ASEAN Governments.

