

Economic and Social Commission for Asia and the Pacific
Committee on Trade and Investment

Fourth session

Bangkok, 4-6 November 2015

Item 5 (e) of the provisional agenda *

**Implementation of Commission resolution 70/5:
strengthening regional cooperation and capacity for
enhanced trade and investment in support of sustainable
development: engaging the business sector**

Outcome document of the Asia-Pacific Business Forum 2014

Note by the secretariat

Summary

The present document contains the outcome of the Asia-Pacific Business Forum, which was held in Colombo from 25 to 27 November 2014.

Participants at the Forum discussed the following issues: connecting the region through trade and investment; how can business drive sustainable development; business and investment opportunities in Sri Lanka as a regional hub; and integrating small and medium-sized enterprises in the region's dynamism.

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* E/ESCAP/CTI(4)/L.1.

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I. Organization

A. Opening, duration and organization of the session

1. The Eleventh Asia-Pacific Business Forum was held at the Miloda Times Building, Colombo, Sri Lanka from 25 to 27 November 2014. The programme of the Forum is attached as Annex I.

2. The Forum was organized by ESCAP, in collaboration with the Government of Sri Lanka, i.e. Ministry of Economic Development and Sri Lankan Board of Investment, supported by the Ministry of External Affairs, the Ministry of Industry and Commerce and all leading chambers of commerce and industries in Sri Lanka. The following organizations provided in-kind support to the Forum: Coordinating Secretariat for Science, Technology and Innovation (COSTI), Pacific Islands Trade and Invest, South Asian Association for Regional Cooperation (SAARC) Chamber of Commerce and Industry, Lakshman Kadirgamar Institute of International Relations and Strategic Studies (LKIIRSS), Trade and Industry Association (Singapore), International Business Council (IBC), Regionomica Moscow, Greater Mekong Subregion Business Forum (GMS-BF), Sri Lanka Export Development Board (EDB), Thai- Italian Chamber of Commerce (TICC), Sri Lanka Tourism Development Authority (SLTDA), ASEAN CSR Network, the Asia Foundation, International Chamber of Commerce (ICC), ICC – Bangladesh, India-Thai Chamber of Commerce (ITCC), International Trade Centre (ITC), Commonwealth Business Council, European Business Organisations (EBO), International Society for Small and Medium Enterprises, Mekong Institute, Organisation for Economic Co-operation and Development, Sri Lankan Airlines and Asian and Pacific Centre for Transfer of Technology.

3. Dr. Ravi Ratnayake, Director, Trade and Investment Division, ESCAP delivered his introductory statement.

4. Datuk Seri Mohamed Iqbal Rawther, Chairperson of the ESCAP Business Advisory Council (EBAC) delivered his welcoming address.

5. Hon. Lakshman Yapa Abeywardana, Minister of Investment Promotion of Sri Lanka delivered the inaugural address on behalf of the Government of Sri Lanka.
6. Mr. R.C. Bhargava, Chairman of Maruti Suzuki, delivered a special address on “Enhancing regional business sustainability and investment”.
7. H.E. Mr. Mohamed Nasheed, Former President of the Republic of Maldives delivered a special address on “Connecting business in small island economies to the region”.
8. Dr. Supachai Panitchpakdi, former Secretary-General of UNCTAD and former Director-General of WTO delivered an address on “Reshaping public-private partnerships for enhanced regional connectivity”.
9. Mr. Thapana Sirivadhanabhakdi, President and CEO of Thai Beverage Public Company Limited addressed the question “How can businesses drive sustainable development?”
10. A special presentation on “Break the silence: sexual assault and the SART solution” was made by Mr. Akash Bhavsar, Managing Director, Skyquest Technology Group and EBAC Member.
11. Ms. Robyn Meredith, Managing Director, Global Strategy at ReOrient Group was the Master of Ceremonies at the Forum as well as moderator of several panel discussions.
12. The overarching theme of APBF 2014, “Enhancing regional business sustainability and investment” was discussed in four plenary sessions, three special addresses and two special events over the two days. Specific topics of APBF 2014 included: connecting the region through trade and investment; how business can drive sustainable development; business and investment opportunities in Sri Lanka as a regional hub; and integrating small and medium-sized enterprises (SMEs) in the region’s dynamism.
13. In the concluding session, Mr. Asif Ibrahim (on behalf of EBAC), Hon. Faiszer Musthapa and Dr. Ravi Ratnayake highlighted the outcomes of the Forum and presented overarching recommendations to both the public and private sectors.
14. Three pre-Forum events were organized. The first was a Welcome Reception hosted by the Government of Sri Lanka held on 25 November 2014. The second event was the Eighth Session of the ESCAP Business Advisory Council (EBAC), which was held on 25 November 2014 while various task forces informally met on 24 November 2014. The third was the Fourth Session of the Asia-Pacific Foreign Direct Investment Network for Least Developed and Landlocked Developing Countries on 25 November 2014.
15. During the Forum three side events were held. The Asian and Pacific Centre for Transfer of Technology (APCTT) held its Meeting of Senior Policy Makers on “Evidence Based STI Policy Approaches to Achieve Sustainable Development Goals” on 26 November 2014 and conducted its Tenth session of the Governing Council on 27 November 2014. The ICT and Disaster Risk Reduction Division (IDD) of ESCAP organized an event on “Disaster risk management for business” on 27 November 2014 to examine the need to broaden the business perspectives in managing disaster risks.

16. On 26 November 2014, the Sri Lanka Tourism Development Authority (SLTDA) hosted a dinner and cultural show for all participants. During the Forum, an exhibition was organized by the Sri Lanka Export Development Board (EDB) showcasing local products and knowhow.

17. Dr. M.P. Poonia (Director, National Institute of Technical Teachers Training and Research) and Mr. Michael Greenslade (Trade Commissioner, Pacific Islands Trade and Invest) signed a memorandum of understanding (MoU) to deliver the Young Business Leader's Programme in Australia, New Zealand and Fiji in March 2015, with the hope of rolling it out through the Pacific subsequently. The Young Business Leader's Programme is designed to provide young business leaders and "entrepreneurs-in-making" with relevant Socially Responsible Business (SRB) education and training through courses, interactive seminars, orientation programmes, online training, workshops and speaker series in order to increase their understanding of SRB and its importance in fostering sustainable business practices.

18. During APBF 2014, an MoU was also signed between the Trade and Industry Association of Singapore represented by Mr. Ken Pan Yancheng and the International Business Council in Sri Lanka represented by Mr. Kosala Wickramanayake to further enhance strategic cooperation in promoting trade, investment and creating a better business environment.

B. Attendance

19. The Forum was attended by approximately 300 people, consisting of 30 per cent from the private sector, 40 per cent from the public sector, 15 per cent from international organizations, 10 per cent from academia or research institutions, 6 per cent from non-governmental organizations and 3 per cent from others. Approximately 77 per cent of the participants, who completed the Forum's evaluation form, were from outside the host country.

II. Conclusions, recommendations and outcomes of the substantive deliberations

A. Special address by Mr. R.C. Bhargava, Chairman of Maruti Suzuki: enhancing regional business sustainability

20. Mr. R.C. Bhargava, Chairman of Maruti Suzuki, highlighted the need to create the essential conditions for investment and growth. In particular, the political, legal and regulatory environment should facilitate investment, and ensure free and fair competition and an adequate return on capital. Infrastructure requirements, formulation of tax laws and the development of skilled labour, among other issues, should be discussed and addressed by government in collaboration with industry on the basis of trust and mutual understanding. Mr. Bhargava also urged businesses to behave with integrity, honesty, modesty and to treat employees as human beings and not merely as a resource for production. He also noted that there remains scope for further regional cooperation to enhance development.

B. Special address by H.E. Mr. Mohamed Nasheed, former President of the Republic of Maldives: connecting business in small island economies to the region

21. H.E. Mr. Mohamed Nasheed, former President of the Republic of Maldives, expressed his delight that sustainability was at the top of the

agenda of this year's APBF as it is often left as an after-thought which leads to poor planning. He expressed concerns about the resort model of tourism in the Maldives as it excluded the common people while only benefiting the resort owners, tour operators and government. He demonstrated however that this need not be the case by introducing a guesthouse programme which allowed the benefits of tourism to spread to ordinary people. Mr. Nasheed also raised several key challenges for small island economies namely poor accessibility, waste management and energy production. The solutions he proposed involved developing waterways, encouraging recycling and using renewable energy sources to meet energy needs and address climate change.

C. High level dialogue: investment as a driver of growth

22. The High Level Dialogue was moderated by Hon. G.J.L. Neomal Perera, Deputy Minister of External Affairs, Sri Lanka and consisted of the following Panelists:

- Mr. R.C. Bhargava, Chairman, Maruti Suzuki
- Dr. Supachai Panitchpakdi, former Secretary-General of UNCTAD and former Director-General of WTO
- H.E. Tith Chantha, Vice Minister of Tourism of Cambodia
- Hon. Faiszer Musthapa, Deputy Minister of Investment Promotion of Sri Lanka

23. The High Level Dialogue discussed the following topics:

- The importance of investment in the region
- Investment in tourism
- Creating a favourable investment environment.

24. The main conclusions, recommendations and outcomes of the High Level Dialogue were as follows:

- Investments in infrastructure, education, health and communication are vital in order for countries to compete in the global economy.
- Investment can be promoted and facilitated by establishing a favourable and competitive investment environment. For example, a one-stop-service for investments would be beneficial to streamline and fast-track investment applications.
- The development of a competitive manufacturing sector remains crucial to ensure equitable economic development.
- Growth with carbon should not be considered inevitable. More investment in renewable technologies is crucial for attaining the goals of sustainable development.
- Recent economic crises as a result of exposure to vulnerabilities in the global economy have prompted countries to move away from the export-led development model. However, exports would continue to be important for most countries that could not rely on only domestic demand and, hence, export-oriented investment would also remain important, particularly in the context of growing global value chains.
- There is a need to balance high-end and low-end tourism by encouraging investment in the tourism sector from different sources.

- Public-private-people-partnerships (4Ps) are required to ensure that the benefits of development are shared by all.
- Countries should not give too much away in terms of concessions and incentives to attract investment. A “race to the bottom” might yield limited short-term results but it would hurt all host countries in the long term. Instead countries should try to create an environment where investments can be made and implemented in the most efficient and competitive manner.

D. Plenary session 1: connecting the region through trade and investment

25. A special presentation was made by Mr. Umberto de Pretto, Secretary-General of the International Road Transport Union (IRU). Mr. de Pretto observed that road transport was a vital tool that enables trade in the region. The main problem at the moment was not infrastructure but lack of efficient border crossings. This significantly increased costs with time lost, unofficial charges paid and the environmental cost of waiting. In this regard, he observed that the Convention on International Transport of Goods Under Cover of TIR Carnets (TIR Convention) addressed these problems by allowing goods to transit through countries securely but without the requirement of being checked at each border.

26. A panel discussion was held moderated by Mr. Mahbubur Rahman, President, International Chamber of Commerce Bangladesh (ICCB) and the following Panelists:

- Mr. Simon Bell, Board Director, European Chamber of Commerce of Sri Lanka (ECCSL)
- Mr. Chandrakant Salunkhe, Founder and President, SME Chamber of India
- Dr. Saman Kelegama, Executive Director, Institute of Policy Studies of Sri Lanka
- Mr. Tariq M. Rangoonwala, Chairperson, Rangoonwala Group of Companies.

27. The panel discussed the following topics:

- What does AEC 2015 mean for the region? What are the key opportunities and challenges for business?
- How can stronger economic linkages between SAARC and ASEAN be forged?
- How does the emergence of regional supply chains impact on the development of the region?
- What are the changing trade and investment patterns and their implications for the region?

28. The main conclusions, recommendations and outcomes of the panel were as follows:

- Enhanced levels of intraregional trade that is complementary to North-South low-cost manufacturing trade are required to help countries reach mid- to high-income status.

- Enhanced cooperation between SAARC and ASEAN could be facilitated by BIMST-EC, particularly in road transport connectivity. The chambers of commerce from the two subregions could also increase their level of interaction. Joint ventures and other investments from ASEAN countries into SAARC countries serve as a building block for further integration.
- ASEAN could serve as an entry point for SAARC to enter global value chains.
- Mr. Tariq Rangoonwala recommended to ESCAP that the TIR agreement be implemented in the region as it offers a comprehensive contribution to regional integration. He also sought from the United Nations a common definition of SMEs.
- Sri Lanka is recognized as a hub of knowledge services such as accounting. It competes on the basis of its highly skilled talent pool and not simply on cost. Similarly other countries in the region need to develop their competitive advantage in delivering higher quality products and services rather than just bulk shipments.
- The moderator concluded that as hopes of multilateral integration through the WTO Doha process have faded there is more need for consensus at the regional level to address development challenges.

E. Special address by Dr. Supachai Panitchpakdi, former Secretary-General of UNCTAD and former Director-General of WTO: reshaping public-private partnerships for enhanced regional connectivity

29. Dr. Supachai Panitchpakdi, former Secretary-General of UNCTAD and former Director-General of WTO, delivered a special address on the importance of public-private partnerships to promote regional connectivity. He emphasized the importance of the private sector for economic development and called for reforms that removed unnecessary regulations. He argued that the State must not only develop adequate transportation but also telecommunications, IT, energy and infrastructure more broadly. On account of the large amount of financing required for these projects the State should pull back and invite participation from the private sector to raise the \$40-50 billion required in the region. He emphasized that the key challenge of our time is to address environmental, social and governance (ESG) issues. On environmental issues, public-private partnerships are needed to set standards that can be used to generate environmental report cards. The importance of regional integration cannot be understated. Simply reducing tariffs is not sufficient. There needs to be reductions in non-tariff measures as well. The private sector can collectively push for a much bigger role in making this the Asian Century.

F. Plenary session 2: how can business drive sustainable development?

30. A special presentation was made by Mr. Thapana Sirivadanabhakdi, President and CEO of Thai Beverage Public Co, Ltd. He observed that the key issue for governments was to balance growth and stability, growth and safety nets, and advances in industry and environmental consciousness. He also observed that companies could have a much larger impact on social issues than government and so should lead the way. Finally, he encouraged forums such as EBAC and APBF not just to exchange views but to deliver tangible results that promote sustainable development and a caring and sharing society.

31. A panel discussion was held moderated by Mr. Carson Wen, Partner, Jones Day and EBAC member with the following panelists:

- Dr. Bindu N. Lohani, Vice-President for Knowledge Management and Sustainable
- Development of Asian Development Bank
- Mr. Asif Ibrahim, Vice Chairman, Newage Group of Industries
- Mr. Suteash Balasubramaniam, Network Representative and Director, Global Compact Network Sri Lanka
- Ms. Cristina Tébar Less, Chief of Responsible Business Conduct Unit, OECD Investment Division

32. The panel discussed the following topics:

- What role does the private sector have in achieving the sustainable development goals?
- What is the role of green businesses and how can this be fostered?
- What are the environmental, social and corporate governance (ESG) risks facing businesses operating in the region and what strategic approaches can be taken to overcome these risks?
- What needs to be done to facilitate the inclusion and development of women and youth in business and entrepreneurship?
- What is the role and potential of business in disaster risk management in Asia-Pacific?

33. The main conclusions, recommendations and outcomes of the panel were as follows:

- More private investment is needed to reduce the sustainable development funding gap of over \$2.5 trillion in developing countries.
- Protecting the environment should be the top priority for businesses, not just making profit. This would require changing mindsets towards a more inclusive, environmentally sustainable world.
- Responsible business conduct involves maximizing the positive impacts and minimizing the negative impacts of business on society and the environment. This is necessary to ensure that firms maintain their social license to operate while ensuring the long-term sustainability of their core business.
- The top environmental, social and corporate governance (ESG) risk factors include climate change, access to fresh water resources, food security, soil degradation and energy. All of these problems are being exacerbated by population growth.
- To facilitate inclusion of women in business there should be more flexibility in allowing work from home arrangements. Better childcare should be developed to allow women to retain jobs after childbirth.

G. Plenary session 3: business and investment opportunities in Sri Lanka as a regional hub

34. A panel discussion was held moderated by Ms. Robyn Meredith, Managing Director, ReOrient Group with the following panelists:

- Mr. Kazuhiko Obama, Resident Representative, JETRO Colombo
- Dr. Priyath B Wickrama, Chairman, Sri Lanka Ports Authority
- Mr. Prasanna J. Wickramasuriya, Chairman of Airport and Aviation Services Ltd.

35. The panel discussed the following topics:

- What are the opportunities and challenges for sustainable business and investment in Sri Lanka?
- What are the key strategies for attracting regional and international investment in Sri Lanka?
- How can Sri Lanka serve as a business and logistic link/hub in the subregion?
- How can businesses in Sri Lanka exploit bilateral and regional free trade agreements?

36. The main conclusions, recommendations and outcomes of the panel were as follows:

- Sri Lanka can act as a gateway to India given its relatively better investment environment, the existence of a free trade agreement between India and Sri Lanka allowing easier access to the Indian market and the existence of a highly proficient IT and English language skilled workforce. However, this transshipment model is highly dependent on India's infrastructure remaining weak. Transshipment must lead to value addition for this model to be sustainable.
- Sri Lanka can act as a gateway to the region given its geographic location allowing access to not only India but also Pakistan and Bangladesh to the North; ASEAN, China and Japan to the East; and the Middle East, Africa and Europe to the West. It could serve as a supply base for consumer goods in these new markets and is well poised to become a shipping and logistics base for global businesses.
- Sri Lanka can act as a market for wealthy consumers and tourists. The post-war economic boost has brought a dramatic change in people's lifestyles and increase in the size of the affluent class. High-end consumer goods that were previously only exported are now also sold domestically. The tourism industry is growing rapidly with the government expecting to attract 2.5 million tourists by 2016.
- There also exist several challenges that require attention. The most severe ones identified by business include power costs, payroll costs, local government policy uncertainty and currency fluctuations.
- Concerns were raised that the practice of bribery is impeding foreign business in Sri Lanka. The government representatives explained that measures have been put in place since 2012 to simplify procedures such as introducing a one-stop-service for investors and simplifying the tax code to help alleviate these issues.

H. Special Sustainable Business Network (SBN) Presentation: launch of sustainable banking and finance handbook for Asia-Pacific

37. Mr. George Yuen, Chair of the SBN Task force on Responsible Banking and Finance and Mr. Raghu Narain of the Task Force, launched the publication of the Task Force on “The 3C’s of Responsible Banking in Asia and the Pacific: Corporate Governance, Corporate Social Responsibility and Corporate Sustainability”. This publication is intended to provide a primer for financial institutions to develop a corporate social responsibility (CSR) agenda. It provides a framework and examples of best practices from around the world. A focus on CSR in terms of people, profit and planet would enable financial institutions to finance innovation, green technologies and other new and innovative SME products.

I. Special SBN presentation: SMEs in the global digital economy

38. Ms. Barbara Meynert, Chair of the SBN Task Force on Digital Economy and Mr. Pedro Eloy of the Task Force demonstrated the beta version of the Myanmar SME Link platform. This business-to-business opportunity platform allows international investors to get more information on SMEs in Myanmar while also allowing SMEs to address their lack of information, capital and connectivity. The website is already in use and is currently incorporating feedback in time for its official launch in March 2015.

J. Plenary session 4: integrating small and medium-sized enterprises in the region’s dynamism

39. A plenary session on Integrating SMEs in the region’s dynamism was moderated by Ms. Robyn Meredith, Managing Director, ReOrient Group with the following speakers:

- Dr. Sailendra Narain, Chair of the MSME Task Force of EBAC
- Mr. Ho Van Tai, Consultant, Vietnam Chamber of Commerce and Industry, Da Nang Branch (VCCI DaNang): Presentation on SMARTX
- Dr. M.P. Poonia, Director, NITTTR, India: Presentation on SRB Programme- On line Regional Series for Asia and commentators
- Mr. Sunil Wijesinghe, Chairman, National Chamber of Commerce of Sri Lanka and Chairman, NDB Bank
- Capt. Aung Khin Myint, Chairman of Global Multimodal Transport and Services Co. Ltd and Chairman of Myanmar International Freight Forwarders Association

40. The Panel discussed the following topics:

- What are the main difficulties for SMEs’ effective participation in regional and global value chains?
- How can international investors better connect with SMEs?
- What can international investors do to help SMEs be more sustainable?
- How can ICT help SMEs?

41. The main conclusions, recommendations and outcomes of the Panel were as follows:

- The lack of adequate information prevents SMEs from realizing their full business potential. The SMARTEX SME Market Exchange platform addresses this problem by providing market intelligence and allowing companies to showcase their products to international investors and customers.
- The Young Business Leader's Programme, developed jointly by the SBN Task Force on MSME's and the Entrepreneurship Development Institute of India, currently delivers socially responsible business training through courses online.
- Dr. Poonia of the NITTTR and Mr. Michael Greenslade from Pacific Trade and Invest have signed an MoU to deliver the Young Business Leader's Programme to participants in Australia, New Zealand and Fiji in March 2015 with the hope of rolling it out through the Pacific subsequently.
- Lack of competitiveness, low productivity, safety, language and compliance requirements were recognized as some of the main challenges faced by SMEs in joining regional or global value chains.
- While it was recognized that ICT can be hugely beneficial for SMEs there remain additional challenges that must be addressed. The experience of SMEs with the Myanmar SME Link has revealed that the lack of English language skills is an important drawback. Many SMEs, in particular those that are family-owned lack the ability to write proper business profiles and informative company background notes.

K. OECD consultation: improving the investment climate – business views

42. Ms. Cristina Tébar Less, Chief of Responsible Business Conduct Unit, OECD Investment Division and Ms. Tihana Bule, Economist and Policy Analyst, OECD Investment Division introduced the revised OECD Policy Framework for Investment.

43. The main conclusions, recommendations and outcomes of the Consultation were as follows:

- The Policy Framework for Investment has been developed by OECD to assist governments in reforming their investment environment. It assists policymakers on issues such as investment, competition, tax, corporate governance, anti-corruption, infrastructure, public governance and other policy domains. It is currently under review to reflect new global economic fundamentals and to incorporate feedback from the international community.
- Consumers play an important role in ensuring that businesses invest responsibly.
- Social media is a highly effective tool being used to drive change.
- Businesses require the right environment to act sustainably. The key issue is not how profits are spent but how profits are made. A sharper focus on core activities is essential.

L. Interactive debate: partnerships towards a sustainable Asian century

44. Mr. Yasuo Tanabe, Vice President and Executive Officer, Government and External Relations, Hitachi Ltd. delivered a special address on the topic of this session.

45. A panel discussion was held moderated by Dr. Watcharas Leelawath, Director of Mekong Institute (MI) consisting of the following panelists:

- Mr. Asanga Abeyagoonasekera, Executive Director and Advisor to Minister of External Affairs Lakshman Kadirgamar Institute for International Relations and Strategic Studies
- Dr. Aditi Halder, Director, Global Reporting Initiative Focal Point India, Global Reporting Initiative (GRI)
- Mr. Sunmyung Hwang, Economic Development Cooperation Fund (EDCF) of Korea, Country Director, Sri Lanka Resident Mission
- Ms. Véronique Salze-Lozac'h, Senior Director, Economic Development and Chief Economist, The Asia Foundation

46. The panel discussed the following topics:

- What kind of partnerships do we want for a sustainable Asian Century?
- What is the role of emerging economies in driving sustainable regional growth?
- How can government and business work together in a better way?
- What opportunities and challenges could arise from the establishment of the Asia Infrastructure Investment Bank (AIIB)?

47. The main conclusions, recommendations and outcomes of the panel were as follows:

- The biggest issues facing countries of the region are weak governance, high corruption, rising inequality and the need for better institutions.
- Measurement is key to driving change. The sustainability reporting framework has been released by GRI as a public good. It is critical to engage with stakeholders, host consultations and discussions even on uncomfortable issues.
- The quality of growth, not just quantity, should be the focus of policy.
- The private sector is required to participate in developing infrastructure as the government alone is often not up to the task. This could take place through public-private-partnerships.
- The concept “partnership” is used often but the exact meaning of it is not always clear as it could mean different things to different people. Public-private partnerships sometimes lack a clear and common understanding of the respective roles of government and private sector in development.
- The AIIB is a welcome addition to development finance, given the need in the region for urgent infrastructure development. It would complement the Asian Development Bank, not replace it.

M. Side event on economic outlook and key policy challenges in emerging Asia

48. A special presentation on the topic of the session was made by Dr. Kensuke Tanaka, Head of Asia Desk, OECD Development Centre. According to Dr. Tanaka medium-term growth prospects look favourable in Emerging Asia, in particular ASEAN, though both external and domestic risks remain. Overall, national development plans in the region identified priorities fairly well, but results in achieving targets are mixed. There was room for further efforts. He also observed that recent public sector reforms in Emerging Asia have been most successful when they are adapted to existing capacities, paced appropriately and have ongoing political support. He also noted that the informal sector poses a barrier to growth that requires comprehensive policy solutions raising the benefits of the formal sector and lowering its costs.

49. A panel discussion on the topic was held moderated by Dr. Masato Abe, Economic Affairs Officer, ESCAP, consisting of the following discussants:

- Dr. Watcharas Leelawath, Director, Mekong Institute
- Prof. Shunli Yao, Associate Professor of Economics and Director, Institute for Applied International Trade
- Dr. Mizanur Rahman, Director of Accounting for Capital Market Development (ACMD), University of Dhaka

50. The main conclusions, recommendations and outcomes of the panel were as follows:

- Dr. Leelawath presented several reasons why Thailand was still stuck in the middle income trap and how the country could get out of it. Shortages in unskilled labour in the manufacturing and construction industries could be addressed through more liberal migration policies. The loss of GSP preferences on graduating to middle income status requires the expansion of free trade agreements. Education campaigns are needed to inform firms of the advantages of existing free trade agreements.
- Professor Yao explained that to rebalance the economy in China, some want slow growth while others are pushing for high growth targets. A slow growth rate could be good for the region as it facilitates the movement of low skilled manufacturing to other countries. India could be a destination for Chinese FDI which could help India integrate deeper into global value chains, promote the growth of labour-intensive manufacturing and reduce poverty.
- Dr. Rahman pointed out that a skills deficit continues to exist in many countries which is not being adequately addressed by governments. As this is largely due to institutional weaknesses it is necessary to identify those weaknesses and how they can be addressed.
- Dr. Abe agreed that there was a need to improve the institutional environment particularly in trade facilitation and FDI promotion. He called for more data to complement the OECD study and hoped it could capture the dynamic economic relationship between China, ASEAN and India.

Annex

APBF Programme

Pre-Forum Events

Monday, 24 November 2014

Venue: Hilton Colombo

	EBAC Task Force Meetings (by invitation only)
10:00–17:00	Green Business Task Force Meeting <u>Headed by:</u> Mr. Carson Wen
15:00–17:00	Inclusive and Sustainable Trade and Investment Task Force Meeting <u>Headed by:</u> Mr. Asif Ibrahim
15:00–17:00	Regional Integration and Connectivity Task Force Meeting <u>Headed by:</u> Ms. Barbara Meynert
11:00–17:00	Trade and Transport Facilitation Task Force Meeting <u>Headed by:</u> Mr. Tariq Rangoonwala
12:30–15:00	Banking and Finance Task Force Meeting <u>Headed by:</u> Mr. George Yuen
19:00–21:00	ESCAP Business Advisory Council <u>Welcome Dinner</u> (by <u>Invitation</u> Only) <i>Hosted by Mr. Kosala Wickramanayake, President, International Business Council in Sri Lanka at Hilton Colombo</i>

Tuesday, 25 November 2014 (Morning and afternoon)

Venue: MILODA, Ministry of Finance and Planning

	Eighth Meeting of the ESCAP Business Advisory Council Meeting (EBAC) (by invitation only)	Fourth Meeting of the Asia-Pacific Foreign Direct Investment (FDI) Network for Least Developed and Landlocked Developing Countries
8:30-9:00	Registration	Registration
9:00-12:00	Eighth Meeting of the EBAC (by invitation only)	Fourth Meeting of the Asia-Pacific Foreign Direct Investment Network
12:00-13:30	Joint Lunch of EBAC and Asia-Pacific Foreign Direct Investment Network Introductory Presentation of EBAC: Datuk Seri Mohamed Iqbal Rawther <i>Chairperson of the ESCAP Business Advisory Council (EBAC) and Group Executive Director, Farlim Group</i>	
13:30-17:00	Eighth Meeting of the EBAC (by invitation only) (continued)	Fourth Meeting of the Asia-Pacific Foreign Direct Investment Network (continued)

Asia-Pacific Business Forum 2014 (Day 1)

Tuesday, 25 November 2014 (Evening)

Venue: MILODA, Colombo, Sri Lanka

17:30–18:00	REGISTRATION
18:00-18:45	WELCOME Reception Welcome Remark: Dr. Ravi Ratnayake <i>Chief Organizer of APBF and Director, Trade and Investment Division, ESCAP</i> Welcome Statement: Datuk Seri Mohamed Iqbal Rawther <i>Chairperson of the ESCAP Business Advisory Council (EBAC) and Group Executive Director, Farlim Group</i> Special Address: Developing and Integrating the Region Hon. Lakshman Yapa Abeywardana <i>Minister of Investment Promotion of Sri Lanka</i>
18:45-19:00	Photo Session
19:00-20:30	Welcome dinner <i>hosted by:</i> Hon. Lakshman Yapa Abeywardana <i>Minister of Investment Promotion of Sri Lanka</i> <i>Location: Miloda, Colombo, Sri Lanka</i>

Asia-Pacific Business Forum 2014 (Day 2)

Wednesday, 26 November 2014

Venue: MILODA, Colombo, Sri Lanka

07:30-08:00	REGISTRATION
08:00-08:45	OPENING SESSION Introduction to APBF 2014: Dr. Ravi Ratnayake <i>Chief Organizer of APBF and Director, Trade and Investment Division, ESCAP</i> Welcome Statement: Datuk Seri Mohamed Iqbal Rawther <i>Chairperson of the ESCAP Business Advisory Council (EBAC) and Group Executive Director, Farlim Group</i> Opening Statement Hon. G. J. L. Neomal Perera <i>Deputy Minister of External Affairs, Sri Lanka</i> Special Address from Business Enhancing Regional Business Sustainability and Investment Mr. R. C. Bhargava, Chairman, Maruti Suzuki

08:45-08:55	Networking break	APCTT EVIDENCE BASED STI APPROACHES TO ACHIEVE SUSTAINABLE DEVELOPMENT GOALS MEETING OF THE SENIOR POLICY MAKERS FROM THE ASIA- PACIFIC REGION (by invitation only)
08:55-09:10	Special Address: Connecting business in small island economies to the region H.E. Mr. Mohamed Nasheed <i>Former President, Republic of the Maldives</i>	
09:10-10:10	High-level Dialogue: Investment as a driver of growth Moderator: Hon. G. J. L. Neomal Perera, <i>Deputy Minister of External Affairs, Sri Lanka</i> Panellists: H.E. Tith Chantha, <i>Vice Minister of Tourism of Cambodia</i> Mr. R. C. Bhargava, <i>Chairman, Maruti Suzuki</i> Hon. Faiszer Musthapa, <i>Deputy Minister of Investment Promotion of Sri Lanka</i> Dr. Supachai Panitchpakdi, <i>Former Secretary-General, United Nations Conference on Trade and Development (UNCTAD) and former Director-General, World Trade Organization (WTO)</i>	
10:10-11:10	PLENARY 1 CONNECTING THE REGION THROUGH TRADE AND INVESTMENT Special Presentation: Mr. Umberto de Pretto, <i>IRU Secretary General</i> Topics of Discussion: <ul style="list-style-type: none"> • What does AEC 2015 mean or the region? What are the key opportunities and challenges for business? • How can stronger economic linkages between SAARC and ASEAN be forged? • How does the emergence of regional supply chains impact on the development of the region? • What are the changing trade and investment patterns and their implications for the region? Moderator: Mr. Mahbubur Rahman, <i>President, International</i>	
	<i>Chamber of Commerce Bangladesh (ICCB)</i> Panellists: Mr. Simon Bell, <i>Board Director, European Chamber of Commerce of Sri Lanka (ECCSL)</i> Mr. Chandrakant Salunkhe, <i>Founder and President – SME Chamber of India</i> Dr. Saman Kelegama, <i>Executive Director, Institute of Policy Studies of Sri Lanka</i> Mr. Tariq M. Rangoonwala, <i>Chairperson, Rangoonwala Group of Companies</i>	

11:10-11:25	<p>Special Address:</p> <p>Reshaping public-private partnerships for enhanced regional connectivity</p> <p>Dr. Supachai Panitchpakdi <i>Former Secretary-General, United Nations Conference on Trade and Development (UNCTAD) and former Director-General, World Trade Organization (WTO)</i></p>	
11:25-13:00	<p>PLENARY 2</p> <p>HOW CAN BUSINESS DRIVE SUSTAINABLE DEVELOPMENT?</p> <p>Special Presentation:</p> <p>Mr. Thapana Sirivadanabhakdi, <i>President and CEO, Thai Beverage Public Co. Ltd.</i></p> <p>Topics of Discussion:</p> <ul style="list-style-type: none"> • What role does the private sector have in achieving the sustainable development goals? • What is the role of green businesses and how can this be fostered? • What are the environmental, social and corporate governance (ESG) risks facing businesses operating in the region and what strategic approaches can be taken to overcome these risks? • What needs to be done to facilitate the inclusion and development of women and youth in business and entrepreneurship? • What is the role and potential of business in disaster risk management in Asia-Pacific? <p><u>Moderator:</u></p> <p>Mr. Carson Wen, <i>Partner, Jones Day</i></p> <p><u>Panellists:</u></p> <p>Dr. Bindu N. Lohani, <i>Vice-President for Knowledge Management and Sustainable Development of Asian Development Bank</i></p> <p>Mr. Asif Ibrahim, <i>Vice Chairman, Newage Group of Industries</i></p> <p>Mr. Suthesh Balasubramaniam, <i>Network Representative and Director, Global Compact Network Sri Lanka</i></p> <p>Ms. Cristina Tébar Less, <i>Head of OECD Responsible Business Conduct Unit, Organisation for Economic Co-operation and Development (OECD)</i></p>	
13:00-14:00	<p>Networking Lunch</p> <p><i>Hosted by: Board of Investment Sri Lanka</i></p>	
14:00-14:10	<p>Break the Silence: Sexual Assault and the SART Solution</p> <p>Presented by: Mr. Akash Bhavsar, <i>Managing Director, Skyquest Technology Group</i></p>	

14:10-15:30	<p>PLENARY 3 BUSINESS AND INVESTMENT OPPORTUNITIES IN SRI LANKA AS A REGIONAL HUB</p> <p>Topics of Discussion:</p> <ul style="list-style-type: none"> • What are the opportunities and challenges for sustainable business and investment in Sri Lanka? • What are the key strategies for attracting regional and international investment in Sri Lanka? • How can Sri Lanka serve as a business and logistic link/hub in the subregion? • How can businesses in Sri Lanka exploit bilateral and regional free trade agreements? <p>Moderator: Ms. Robyn Meredith, <i>Managing Director, Global Strategy</i></p> <p><u>Panellists:</u></p> <p>Mr. Kazuhiko Obama, <i>Resident Representative, JETRO Colombo</i> <i>A senior speaker from the Government of Sri Lanka</i></p> <p>Dr. Priyath B Wickrama, <i>Chairman, Sri Lanka Ports Authority</i></p> <p>Mr. Prasanna J. Wickramasuriya, <i>Chairman of Airport and Aviation Services LTD.</i></p>	<p>APCTT EVIDENCE BASED STI APPROACHES TO ACHIEVE SUSTAINABLE DEVELOPMENT GOALS MEETING OF THE SENIOR POLICY MAKERS FROM THE ASIA- PACIFIC REGION (by invitation only)</p>
15:30-16:00	<p>Special Presentation: SMEs in the Global Digital Economy</p> <p>“Myanmar SME Link”, a project of EBAC Sustainable Business Network</p> <p>Ms. Barbara Meynert, <i>Director, Fung Global Institute and Myanmar SME Link</i></p> <p>Mr. Pedro Eloy, <i>Director of New Media at Fung Group and Head of BusinessLab HKU MBA program</i></p> <p>Q&A</p>	
16:00-16:10	Networking break	

16:10-18:00	<p>PLENARY 4 INTEGRATING SMALL AND MEDIUM ENTERPRISES IN THE REGION'S DYNAMISM</p> <p>Special Presentation: Mr. Akash Bhavsar, <i>Managing Director, Skyquest Technology Group</i></p> <p>Discussion on SME Connectivity and Development:</p> <ul style="list-style-type: none"> • What are the main difficulties for SMEs' effective participation in regional and global value chains? • How can international investors better connect with SMEs? • What can international investors do to help SMEs be more sustainable? • How can ICT help SMEs? <p><u>Moderator:</u> Ms. Robyn Meredith, <i>Managing Director, Global Strategy</i></p> <p>Introduction of Smartex and Socially Responsible Business (SRB) Curriculum: Dr. Sailendra Narain, <i>Chair of the SNB MSME Task Force of EBAC</i></p> <p>Presentation of SMARTEX: Mr. Ho Van Tai, <i>Consultant, Vietnam Chamber of Commerce and Industry –Da Nang Branch (VCCI Da Nang)</i></p> <p>Presentation on SRB Programme- On line Regional Series for Asia: Dr. M. P. Poonia, <i>Director, NITTTR, India</i></p> <p><u>Commentators:</u> Mr. Sunil Wijesinghe, <i>Chairman, National Chamber of Commerce of Sri Lanka and Chairman, NDB Bank</i> Capt. Aung Khin Myint, <i>Chairman of Global Multimodal Transport and Services Co. Ltd and Chairman of Myanmar International Freight Forwarders Association</i></p>	
18:00-18:30	<p>Special Presentation EBAC Sustainable Business Network Task Force on Banking and Finance Launch of Sustainable and Finance Handbook for Asia-Pacific of The3Cs for Responsible Banking in Asia and the Pacific: Corporate Governance, Corporate Social Responsibility and Corporate Sustainability</p> <p>Mr. George Yuen, <i>Board Director, Industrial and Commercial Bank of China (Asia), Hong Kong, China</i></p> <p>Mr. Raghu Narain, <i>Managing Director, RBS, Hong Kong, China</i></p> <p>Q&A</p>	
19:30-21:00	Dinner and Cultural Show <i>Hosted by: Tourism Board of Sri Lanka</i>	

Asia-Pacific Business Forum 2014 (Day 3)

Thursday, 27 November 2014

Venue: MILODA, Ministry of Finance and Planning

08:30-09:00	REGISTRATION		
09:00-10:30	<p>OECD CONSULTATION ON UPDATING THE POLICY FRAMEWORK FOR INVESTMENT “Improving the investment climate – business views” Ms. Cristina Tébar Less, <i>Chief of Responsible Business Conduct Unit, OECD Investment Division</i> Ms. Tihana Bule, <i>Economist and Policy Analyst, OECD Investment Division</i></p>		
10:30-12:15	<p>INTERACTIVE DEBATE: PARTNERSHIPS TOWARDS A SUSTAINABLE ASIAN CENTURY Special Addresses: Mr. Yasuo Tanabe, <i>Vice President and Executive Officer, Government & External Relations, Hitachi Ltd.</i> Topics of Discussion:</p> <ul style="list-style-type: none"> • What kind of partnerships do we want for a sustainable Asian Century? • What is the role of emerging economies in driving sustainable regional growth? • How can government and business work together in a better way? • What opportunities and challenges could arise from the establishment of the Asia Infrastructure Investment Bank (AIIB)? <p><u>Moderator:</u> Dr. Watcharas Leelawath, <i>Director of Mekong Institute</i> <u>Panellists:</u> Mr. Asanga Abeyagoonasekera, <i>Executive Director and Advisor to Minister of External Affairs, Lakshman Kadirgamar Institute for International Relations and Strategic Studies</i> Dr. Aditi Haldar, <i>Director, Global Reporting Initiative Focal Point India, Global Reporting Initiative (GRI)</i> Mr. Sunmyung Hwang, <i>Country Director, Sri Lanka Resident Mission, Economic Development Cooperation Fund (EDCF), Republic of Korea</i> Ms. Véronique Salze-Lozac'h, <i>Senior Director, Economic Development and Chief Economist, The Asia Foundation</i></p>	<p>SIDE EVENT: DISASTER RISK MANAGEMENT FOR BUSINESS Organized by IDD ESCAP</p>	<p>TENTH SESSION OF THE GOVERNING COUNCIL OF THE ASIAN AND PACIFIC CENTRE FOR TRANSFER OF TECHNOLOGY (APCTT) (by invitation only)</p>

12:15-12:40	<p>CLOSING SESSION</p> <p>EBAC Chairperson's Closing Statement: Datuk Seri Mohamed Iqbal Rawther</p> <p><i>Chairperson of the ESCAP Business Advisory Council (EBAC)</i></p> <p>Summary of the Forum: Hon. Faiszer Musthapa</p> <p><i>Deputy Minister of Investment Promotion of Sri Lanka</i></p> <p>Closing Statement: Dr. Ravi Ratnayake</p> <p><i>Chief Organizer of APBF and Director, Trade and Investment Division, ESCAP</i></p>		
12:40-13:30	<p>Networking Lunch</p> <p><i>Hosted by: Board of Investment Sri Lanka</i></p>		
13:30-17:30	<p>Side event: Economic Outlook and Key Policy Challenges in Emerging Asia</p> <p>Economic Outlook for Southeast Asia, China and India 2015: Strengthening institutional capacity</p> <p>Dr. Kensuke Tanaka, <i>Head of Asia Desk, OECD Development Centre</i></p> <p>The Emerging Asian economies face near-term downside risks, such as volatile cross border capital flows and medium-term structural issues, such as the middle-income trap. The session provides opportunities for dialogue on economic perspectives and policy challenges based on the recently released The Economic Outlook for Southeast Asia, China and India – jointly produced between OECD and the ASEAN Secretariat - is an annual publication on Asia's regional economic growth, development and regional integration process.</p> <p>The Outlook provides an annual update of regional macroeconomic trends, policy challenges and a special thematic focus which varies in each volume. This edition is dedicated to a special theme focusing on strengthening institutional capacities, through discussion of recent performance in the implementation of medium-term plans, the key factors affecting the success of public sector reforms and institutional roots of informality.</p> <p><u>Moderator:</u> Dr. Masato Abe, <i>Economic Affairs Officer, UNESCAP</i></p> <p><u>Discussants:</u></p> <ul style="list-style-type: none"> - Dr. Watcharas Leelawath, <i>Director of Mekong Institute</i> - Prof. Shunli Yao, <i>Associate Professor of Economics and Director, Institute for Applied International Trade, Beijing</i> - Mizanur Rahman, Ph.D. Associate Professor of Accounting & Public Policy, University of Dhaka 		
	Site visits and tours (arranged by BOI)		
	Business matching		