ASEAN LEADERS & ASEAN-BAC DIALOGUE
17 November 2011, Bali, Indonesia

INTRODUCTION

His Excellency Dr. Susilo Bambang Yudhoyono,
President of the Republic of Indonesia and the Chairman of the 19th ASEAN Summit,
His Excellencies 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 AEM the following activities and recommendations:

1. **ASEAN-BAC Survey on ASEAN Competitiveness**

   1.1. ASEAN-BAC, in collaboration with Lee Kuan Yew School of Public Policy, National University of Singapore (NUS), pioneered the survey on ASEAN Competitiveness in 2010. The success of the 2010 survey has paved the way for the 2011 survey, which was launched in September 2011.

   1.2. Dissemination of the survey has been done through various channels including ASEAN-BAC National Secretariats and numerous national business organizations. However, the ASEAN business community has been less responsive than expected and only 85 usable responses have been collected as of mid-October 2011. ASEAN-BAC would like to encourage Leaders to advocate the importance of active participation in the 2011 survey to their business community.

   1.3. The preliminary findings of the 2011 ASEAN-BAC Survey on ASEAN Competitiveness appears as ANNEX A. Among the highlights: investor interest in ASEAN remains strong, as some 90 per cent of respondents indicate that their organizations plan to invest in at least one ASEAN country over the next three years. There is a clear gap between the importance that respondents attach to ASEC Blueprint implementation, which is high and their level of satisfaction with ASEAN’s implementation, which is below-average. This gap is widest in areas such as the establishment of predictable investment rules and simplification of customs procedures. For SME development, policy measures related to financing and the promotion of SME innovations and creativity are of the highest importance.

2. **Contributing to Growth and Development of ASEAN Enterprises**

   2.1. ASEAN-BAC has agreed to collaborate with the ASEAN SME Working Group (ASMEWG) in the annual ASEAN Business Awards (ABA). The event recognises top ASEAN SMEs that excel in the categories of innovation, growth, employment and corporate social responsibility (CSR). The collaboration will allow ABA to attract a larger number of SMEs and allow ASEAN-BAC to strengthen cooperation with national
SME agencies. Through the help of Ernst and Young, the strategic partner for the 2011 ABA, we have attracted the participation of more than 80 companies both large and small-and-medium in size. We are happy to report that the winners and finalists of the 2011 Awards will be honoured at the ASEAN Business and Investment Summit Gala Dinner which will be held later tonight.

2.2. ASEAN-BAC, in collaboration with Lee Kuan Yew School of Public Policy, NUS, initiated a study on “Critical Success Factors for ASEAN Businesses”. The aim of the study is to use information provided by past and current ASEAN Business Awards (ABA) nominees to identify key factors that contribute to the success of ASEAN enterprises. The study looks at nominees across various firm sizes and award categories including Growth, Employment, Innovation and Corporate Social Responsibility (CSR). ASEAN-BAC hopes to share the final findings of the study to the ASEAN business community in the form of handbook.

2.3. The preliminary findings of the study on “Critical Success Factors for ASEAN Businesses” appears as ANNEX B.

3. ASEAN Trade and Investment Centre (ATIC)

3.1. At the 17th ASEAN Summit in Hanoi, ASEAN-BAC recommended the development of the ASEAN Trade and Investment Centres (ATIC) in the capital cities of ASEAN Member States. ATIC’s primary objectives are to serve as business incubators and as a trading house that would facilitate access to companies wishing to undertake export and import activities and presence within the regional market. Also recognizing that the competitiveness of our SMEs are both critical to ASEAN’s economic future, a comprehensive policy to improve the performance of SMEs, will require measures that improve their access and capacity to use information systems in their business practice and export transactions.

3.2. We are happy to inform your Excellency, that the Philippines and Malaysia have initiated the region’s first ATIC’s. On that note, we hope to receive more support in the coming years from the ASEAN Leaders to continually push their respective Governments and National Business Chambers to work together in promoting the development of these Trade and Investment Centres.

4. ASEAN Business and Investment Summit (ASEAN-BIS)

4.1. ASEAN-BAC is currently organising the 2011 ASEAN Business and Investment Summit (ASEAN-BIS) from 16th-18th November. We are happy to inform that the Business Summit will be officiated by Your Excellency, and will take place this evening at the Bali International Convention Centre (BICC). We are also happy to inform that Business Summit will also be attended by H.E. Lee Myung Bak, President of Republic of Korea; H.E. Ban Ki-Moon, Secretary General of the United Nations; H.E. Yoshihiko Noda, Prime Minister of Japan; and The Hon. Julia Gillard MP, Prime Minister of Australia.

4.2. There are more than 700 participating in the 2011 ASEAN-BIS. This Business Summit will look into three crucial areas that will shape the environments in which ASEAN business operate. These include; climate change and the global food crisis; ASEAN connectivity in the context of infrastructure development; and innovation and the role which entrepreneurship play in the development of ASEAN economies. In addition
the Business Summit will conduct several panels with ASEAN’s business and investment partners that are the United States, Republic of Korea, India, Japan and Australia.

5. **ASEAN-BAC Scholarship Program**

5.1. In line with the Cha-am HuaHin Declaration on Strengthening Cooperation on Education to Achieve an ASEAN Caring and Sharing Community, ASEAN-BAC is looking into encouraging regional cooperation by providing scholarships in selected ASEAN universities for students wishing to study programs relating to business and technology. The ASEAN-BAC Scholarship program aims to foster ‘ASEAN youths with ASEAN hearts’, and is meant for ASEAN-BAC to continually contribute towards the enhancement of ‘People-to-People Connectivity’.

5.2. As a start, ASEAN-BAC has agreed to work with Tan Tao University in Vietnam to offer scholarships for 50 students, worth up to USD 27,500 per student, in the 2012 and 2013 school year.

In closing, ASEAN-BAC is pleased to inform that it has continued to interact and engaged in various forums across the region involving business organizations, academia, research institutions, and other stakeholders, all in support of AEC’s Communication Plan and promotion of ASEAN’s economic initiatives, as a whole. At the same time, ASEAN-BAC remains to be guided on its mandate to engage on activities with Dialogue Partner countries.