



# AEM & ASEAN-BAC CONSULTATION

Report of the ASEAN Business Advisory Council

**Presented by Mr. Jose Concepcion., Jr  
Chairman, ASEAN Business Advisory Council**

22 August 2006, Mandarin Oriental Hotel, Kuala Lumpur, Malaysia

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**Excellencies,  
ASEAN Economic Ministers,**

**H.E. Mr. Ong Keng Yong,  
Secretary General of ASEAN,  
Senior Officials and Delegates,**

## INTRODUCTION

1. On behalf of the ASEAN Business Advisory Council (ASEAN-BAC), I am pleased to present to you our Accomplishment Report since our last Consultation in September last year in Vientiane. Our Council members today have welcomed changes since December from Cambodia, Indonesia, Myanmar, the Philippines, Singapore, and Vietnam. ASEAN-BAC Thailand and Lao PDR are also in the process of replacing one and two of their Council members, respectively.

2. In performing our mandate, ASEAN-BAC has held over 19 council meetings, conducted the first Annual General Meeting (AGM) and various ad-hoc meetings. The Organizing Committee for the 2006 ASEAN Business & Investment (ASEAN-BIS) meets regularly. ASEAN-BAC further participates at various ASEAN level meetings, including the 5<sup>th</sup> Meeting of the Council of Advisors of the ASEAN Foundation in May; 2<sup>nd</sup> Consultative Meeting for the Priority Integration Sectors (COPSII), and the BIMP-EAGA Consultation Meeting in June this year. In the effort to have stakeholders concerned with the full understanding, acceptance and ownership of the ASEAN integration process, ongoing visits are conducted to all 10 ASEAN countries to meet with Government officials, as well as private sector representatives.

3. You may like to recall that our engagement with the BIMP-EAGA Business Council is as a result of the deliberation of the Leaders for ASEAN-BAC to extend support to the region. We have also extended financial support to the ASEAN Foundation and in-kind, for the organization of the Seminar on Good Corporate and Social Governance. Our participation in COPS II is evidently to support the integration of the 12 priority sectors.

## HIGHLIGHTS

4. Allow me at this point to highlight the developments of our primary activities since we last met in September 2005 in Vientiane, on the following:

- a. Policy Recommendations to the ASEAN Leaders;
- b. Organization of the fourth ASEAN Business & Investment Summit (2006 ASEAN-BIS); and
- c. ASEAN Pioneer Project Scheme (APPS); and
- d. Development of the ASEAN-BAC Corporate Entity.

## ACCOMPLISHMENT REPORT

### A. POLICY RECOMMENDATIONS TO THE ASEAN LEADERS

5. As you are aware, ASEAN-BAC has held Dialogues with the ASEAN Heads of State and Government, in conjunction with the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> ASEAN Summit held in Bali, Indonesia; Vientiane, Lao PDR; and Kuala Lumpur, Malaysia, respectively.

6. After three years since our inauguration, the 17<sup>th</sup> ASEAN-BAC Council Meeting held in February 2006 in Manila performed an assessment on the challenges faced by the business community, particularly, on ways to address the high level of economic disparity that cause for the limited engagement of ASEAN private sector in the integration process.

7. In addressing the complexity to arrive at a consensus on many different policy recommendations that level with the needs and requirements of all, ASEAN-BAC agreed to adopt a methodological approach through a Study to address the common issues and challenges from the business perspectives. Every Council member is working together with their respective national Chambers of Commerce and Industry and other national business organizations.

8. An ASEAN-BAC Working Committee will finalize the policy recommendation paper that would be represented to the ASEAN Leaders at the end of the year.

### B. ORGANIZATION OF THE 2006 ASEAN-BIS

9. ASEAN-BAC will be organizing the **2006 ASEAN-BIS with the theme of the 12<sup>th</sup> ASEAN Summit “One Caring and Sharing Community”**, with the sub-theme on **“Connecting ASEAN Business to the World” on December 8-10, 2006 at the Waterfront Hotel-Lahug, Cebu City**, to reflect ASEAN’s vision of a community of caring societies, outward-looking and bonded in partnership in a dynamic development.

10. In particular, the 2006 ASEAN-BIS will focus its objectives to:

- enhance awareness, understanding, and ownership of ASEAN while fostering business-to-business and business-to-government relationships; and
- showcase the ASEAN achievements to the rest of the world while engaging global business leaders who can contribute to further the economic development of ASEAN

11. Inherent to our Agenda is our effort to continuously promote the ASEAN’s economic initiatives such as those deliberated in COPS. Simultaneous Workshops presenting the 12 priority integration sectors will be conducted by industry experts and participated by private sector participants in these fields to proactively engage themselves in the successful implementation of the Roadmaps.

12. An essential component of the program is our effort to have all 10 ASEAN Leaders delivering Keynote Speeches. Their presence to sound on the importance that regional integration means to respective economies, we strongly believe, will set in motion stanch private sector contribution in the building-up of the ASEAN Economic Community (AEC), as part of the public-private partnership (PPP) strategic alliance.

### **C. ASEAN PIONEER PROJECT SCHEME (APPS)**

13. As your Excellencies are aware, ASEAN-BAC is promoting the APPS on the ASEAN 12 priority integration, in cooperation with the ASEAN Chambers of Commerce and Industry (ASEAN-CCI) and respective national chambers of commerce and industries, regional industry clubs (RICs), as well as individual business contacts within and outside the ASEAN region.

14. Last year, ASEAN-BAC was acquainted with the ASEAN Palm Fiber Technology by the promoters from Singapore, Malaysia and Thailand and was endorsed to the Leaders for adoption, as an APPS project. ASEAN-BAC is currently assessing the consortium structure further. Particularly, on whether the development has plans to have a holding structure that is registered in any one ASEAN country to proliferate activities into an ASEAN consortium; involvement of other ASEAN countries; ownership of the project and step aheads, to include potential partners, proliferation of the users and the mechanism for upstream and downstream activities; and specific needs and requirement from respective ASEAN Governments.

15. At our 18<sup>th</sup> ASEAN-BAC Council Meeting in May 2006 in Kuala Lumpur, we have agreed that after the outcome of the mentioned Study would help ASEAN-BAC in identifying appropriate APPS projects and apposite a Roadmap for ASEAN's integration process.

### **D. ASEAN CORPORATE ENTITY**

16. As a result of the Leaders' deliberation to establish ASEAN-BAC, as an association, for tax benefit purposes and other incentives, we have as of 30 November 2005 been registered under the Societies Act 1966 Malaysia and held the 1<sup>st</sup> Annual General Meeting (AGM) on 7 May 2006 in Kuala Lumpur, Malaysia.

17. At the present time, ASEAN-BAC has applied for the tax exemption status and that the Ministry of Finance of Malaysia is still considering the application under Section 44(6) of the Malaysian Income Tax Act 1967, which would allow ASEAN-BAC to be exempted from income tax and for the donor to benefit from tax deduction for any donation made to ASEAN-BAC.

### **RECOMMENDATIONS**

18. In view of the foregoing, we would like your Excellencies to note the above developments, in particular, your support to advocate to the Leaders to accept our invitation to have all the 10 ASEAN Heads of State and Government delivering Keynote Speeches on 10 December 2006 at the 2006 ASEAN-BIS in Cebu, Philippines.

19. On behalf of the ASEAN Business Advisory Council, I would like to express my appreciation for your attention.

