



9TH AEM / ASEAN-BAC CONSULTATION

ASEAN-BAC Report
12 August 2011, Manado, Indonesia

In supporting the building of 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 initiated a survey conducted by the Lee Kuan Yew School of Public Policy, National University of Singapore (NUS) on ASEAN's competitiveness for trade and investments in 2010. This survey gathered the views of businesses across ASEAN countries on their investment strategies in a post-crisis global economy, assessed the pace of ASEAN's economic integration and its importance to investment decisions. It also identified priority policy measures that ASEAN can undertake to improve the region's competitiveness. The survey collected 355 usable responses from a diverse mix of business across various ASEAN countries, firm size categories and nationalities of ownership.
- 1.2. The summary report of the 2010 ASEAN-BAC Survey appears as ANNEX A.
- 1.3. The success of the 2010 survey has paved the way for a further survey in 2011. The revised survey will allow ASEAN-BAC to continue to engage the business community and generate useful business feedback to ASEAN Leaders and Ministers. The survey in 2011 will contain a mix of questions from the 2010 survey questionnaire as well as new questions to enable changes in business views to be tracked over time, and to provide new perspectives on issues.

2. Supporting ASEAN Small and Medium Enterprises (SMEs)

- 2.1. In an attempt to continually recognise the importance of SMEs, ASEAN-BAC has agreed to collaborate with the ASEAN SME Working Group (ASMEWG) in holding 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. So far, the 2011 ABA have attracted more than 80 companies both large and small-and-medium in size.
- 2.2. This year, ASEAN-BAC will collaborate with the Lee Kuan Yew School of Public Policy to consolidate data of past, current and future ABA nominations to formulate a study on the 'Critical Factors for Business Success in ASEAN'. The study will use information from ABA applications to analyse the different success factors, and publish benchmark statistics of ABA winners that companies in ASEAN can aspire to become e.g. in terms of growth rate, staff retention rate, number of patents filed etc.

3. ASEAN RoRo (Bridging and Connecting ASEAN)

- 3.1. There are more than 31,000 island economies in archipelagic Southeast Asia. Thousands of small scattered and isolated islands (predominantly in the eastern part of the region) face enormous barriers, such as high transport costs and poor access to local and regional markets that hamper both trade and tourism. Connecting the archipelagic regions of ASEAN requires efficient and reliable shipping routes in order to enhance intra-ASEAN connectivity.



3.2. In accordance with the objectives of the Master Plan of ASEAN Connectivity (MPAC), ASEAN-BAC supports initiatives pertaining to critical studies and further development of the Nautical Highway (also referred to as Roll-on/Roll-off (RoRo)) in areas where it is needed the most (i.e. Philippines, Malaysia, Brunei Darussalam and Indonesia).

3.3. The briefing paper on RoRo appears as **ANNEX B**.

4. ASEAN Business and Investment Summit (ABIS)

4.1. In conjunction with the 19th ASEAN Summit ASEAN-BAC, will organise the 2011 ASEAN Business and Investment Summit (ASEAN-BIS) on 14-16 November 2011 at the Bali International Convention Centre (BICC) in Bali, Indonesia. The Business Summit hopes to attract 1,000 participants and adopts the theme of the ASEAN Summit “*ASEAN Community in a Global Community of Nations*”. We hope that the 2011 ABIS will include keynote addresses by Heads of States of ASEAN Member States and its Dialogue Partners.

4.2. This year’s Business Summit gives priority to implementation issues of AEC measures; stronger emphasis on the third pillar of AEC concerning SMEs and ‘narrowing development gaps’; optimal utilisation of AFTA and ASEAN+1 FTAs; and ASEAN Economic Integration Beyond 2015.

4.3. To further support the activities surrounding the 2011 ABIS, ASEAN-BAC will also launch ‘*Kampoeng ASEAN*’ between 11 – 20 November 2011. *Kampoeng ASEAN* is a pilot project of ASEAN-BAC that aim to highlight the richness of cultural heritage as well as showcase aspiring businesses or industries of ASEAN Member States as well as ASEAN’s Dialogue Partners.

4.4. On that note, ASEAN-BAC would like to take this opportunity to seek the support of the AEM in assisting with the socialisation process of both events. For your kind reference, the draft program to the Business Summit and the concept note of *Kampoeng ASEAN* appear as **ANNEX C** and **ANNEX D** respectively.

5. ASEAN-BAC Scholarship Program

5.1. In line with the Cha-am Hua Hin 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 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 of delivering Keynote Speeches on the final day of the 2011 ABIS on 16 November 2011 in Bali, Indonesia. ASEAN-BAC is confident that the activities highlighted above will assist the building of AEC as well as providing valuable feedbacks for the governments and private sectors of ASEAN Member States.

