



Asia-Pacific
Economic Cooperation

**APEC Seminar for
Promoting Public-Private Sector Dialogue**

Cairns, Australia, 24 June 2007

**APEC Investment Experts Group
APEC Committee on Trade and Investment**

August 2007

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APEC Secretariat
35 Heng Mui Keng Terrace Singapore 119616
Tel: (65) 67756012 Fax: (65) 67756013
Email: info@apec.org Website: www.apec.org

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Summary of the Seminar for Promoting Public-Private Sector Dialogue Cairns, Australia, 24th June 2007

1. The APEC Seminar for Promoting Public-Private Sector Dialogue was held in Cairns, Australia, on 24th June 2007.
2. There were 74 participants from 19 economies (Australia, Brunei, Canada, Chile, China, Indonesia, Japan, Malaysia, Mexico, New Zealand, PNG, Peru, Philippines, Russia, Singapore, Chinese Taipei, Thailand, the United States, and Vietnam), including officials and industry representatives. Industry representatives include ABAC members and staffers from Australia, Japan, Peru, Thailand, and the United States.

3. Program of the seminar

10:00 – 10:15 Opening and explanation of objectives

Mr. Kunihiko Shinoda, Director of APEC Office, METI, Japan

10:15 – 12:00 Session 1: Case study

Public-private dialogue for business environment improvement

Speakers:

- Viet Nam-Japan Joint Initiative
Mr. Hiroaki Yashiro, The Japan Business Association in Vietnam
- Indonesia-Japan Public-Private Joint Investment Forum
Dr. Rizal Affandi Lukman, Coordinating Ministry for Economic Affairs,
Indonesia
- AFTA-CER Business Council
Dr. Brent Davis, Australian Chamber of Commerce and Industry
- US-ASEAN Business Council/National Center for APEC
Mr. Joseph Alhadef, Oracle Corporation

MC: Mr. Hidehiro Okayama, Tokyo Chamber of Commerce and Industry

13:30 – 14:45 Session 2: Panel discussion

Study issues for strengthening function of public-private dialogues

Moderator: Professor Christopher Findlay, University of Adelaide

Discussants:

- Mr. Hiroaki Yashiro, The Japan Business Association in Vietnam
- Dr. Rizal Affandi Lukman, Coordinating Ministry for Economic Affairs,
Indonesia

- Dr. Brent Davis, Australian Chamber of Commerce and Industry

15:15 – 16:30 Session 3: Panel discussion

Policy Implications for both APEC and ABAC

Moderator: Professor Christopher Findlay, University of Adelaide

Speaker: Professor Shujiro Urata, Waseda University

Discussants:

- Mr. Juan Raffo, Co-Chair of ABAC 2007 (ABAC Peru)
- Mr. Ken Waller, Senior Advisor, ABAC Australia
- Mr. Joseph Alhadeff, Oracle Corporation
- Mr. Roy Nixon, Convenor, APEC IEG

16:30 – 17:00 Session 4: Wrap-up

Work Program on Investment Liberalization and Facilitation

Moderator: Hidehiro Okayama, Tokyo Chamber of Commerce and Industry

Discussants:

- Professor Christopher Findlay, University of Adelaide
- Mr. Juan Raffo, Co-Chair of ABAC 2007 (ABAC Peru)
- Mr. Ken Waller, Senior Advisor, ABAC Australia
- Mr. Joseph Alhadeff, Oracle Corporation
- Mr. Roy Nixon, Convenor, APEC IEG

4. Reports on each session

- (a) In session 1, representatives of four public-private sector dialogue initiatives in the region introduced their activities so that participants can share useful practices of public-private dialogue. Four initiatives are Japan-Vietnam Joint Initiative, Indonesia-Japan Investment Forum, US-ASEAN Business Council/National Center for APEC, and AFTA-CER Business Council.
- (b) In session 2, discussants identified issues for strengthening function of public-private sector dialogue and identified the best practices for the public-private sector dialogue. Issues identified include structure and participants of dialogue, policy issues to be discussed by dialogue, monitoring or assessment mechanism of dialogue, interaction with other schemes, and implications to policy framework.

[Talking points for Session 2]

1. Structure and participants of dialogue

- 1-1. Objective of dialogue
- 1-2. Sharing mission of dialogue among participants and high-level commitment
- 1-3. Participants of dialogue – public sector
- 1-4. Participants of dialogue – the private sector

2. Policy issues to be discussed by dialogue

- 2-1. How to identify issues
- 2-2. Development of concrete action plans
- 2-3. Setting time frame or target date of action plans
- 2-4. Challenge level of action plans
- 2-5. Specification of responsible government agencies of action plans
- 2-6. Means of implementation of action plans

3. Monitoring or assessment mechanism of dialogue

- 3-1. Monitoring or assessment of policy measures
- 3-2. Utilization of result of monitoring or assessment

4. Interaction with other schemes

- 4-1. Importance of capacity building
- 4-2. Capacity building and speed of implementation
- 4-3. Interaction with other schemes

5. Implications to policy framework

- 5-1. Implications to policy reform
- 5-2. Effectiveness of public-private sector dialogue in terms of investment promotion

- (c) In session 3, Professor Shujiro Urata of Waseda University reported outcome of the Symposium on Investment Liberalization and Facilitation held on May 29, 2007 in Tokyo, Japan, followed by discussions of representatives from APEC and ABAC focusing on strengthening collaboration between APEC and ABAC through public-private sector dialogue.
- (d) In session 4, discussants summarized key conclusions on how APEC might apply the best practices for public-private sector dialogue to APEC activities in order to improve the business environment in the region through investment liberalization and facilitation.

5. Key Conclusions

[Background]

The 2010 target date for developed economies to achieve the Bogor Goals is fast approaching.

In Busan, the APEC Economic Leaders endorsed the Busan Roadmap to the Bogor Goals. The Busan Roadmap pointed out that the APEC region has become more open to foreign direct investment. However, progress has been uneven in moving towards Bogor deadlines for investment.

The Leaders welcomed, in particular, one element of the Busan Roadmap—the Busan Business Agenda, which, in response to the specific concerns of the business community, calls for further reductions in trade transaction costs by five percent by 2010, a comprehensive business facilitation program, and new work on intellectual property rights, structural reform, anti-corruption measures, investment, and secure trade.

The Busan Business Agenda clearly specified that APEC would develop, in collaboration with its business community, an expanded work program targeting increased investment liberalization and facilitation.

In light of the Busan Business Agenda, APEC Ministers Responsible for Trade reaffirmed the importance of investment liberalization and facilitation as integral parts of APEC's agenda for achieving the Bogor Goals and for fostering economic growth in the APEC region. In order to facilitate investment, APEC Ministers Responsible for Trade also reaffirmed the importance of developing tools for policy coherence in cooperation with the OECD, holding public-private sector dialogues to identify high-priority issues and develop policy measures, and implementing advanced capacity-building projects in response to the needs of the public and private sectors.

An APEC symposium, supported by ABAC, held in Melbourne, Australia, on April 26 and 27, 2007, discussed with policy makers from Indonesia, Mexico, Philippines, and Viet Nam, their investment regimes in the context of the OECD Policy Framework for Investment.

A further APEC Symposium on Investment Liberalization and Facilitation was held on May 29, 2007, in Tokyo, Japan. The symposium concluded that investment liberalization and facilitation are both priority issues when it comes to economic growth in the Asia-Pacific region. In order to solve the problems that pertain to those two priority issues, it will be necessary to promote the development of rules and regulations, to facilitate business, and to

narrow economic gaps. Throughout the symposium discussion, three common views emerged:

- Improving the investment environment will promote foreign direct investment, which leads to the economic growth of the recipient economies.
- There are a number of issues that hinder foreign direct investment, but facilitation issues, including behind-the-border issues, are more crucial for investors than liberalization issues.
- APEC should not only take those measures necessary for the development of institutions, including developing guidelines and RTA/FTAs Model Measures that support the creation of investment treaties; it should also promote investment facilitation, including building mechanisms of public-private dialogue, and it should strive to narrow economic gaps through specific efforts such as capacity-building customized for each APEC member based on its economic progress.

At the symposium, it was emphasized that four of the top five priority issues pertaining to investment in the Asia-Pacific region are facilitation issues, which emerged from the survey done by the Japan Machinery Center for Trade and Investment.

[Key Conclusions]

The Seminar further explored how APEC might apply the best practices for public-private sector dialogue to APEC activities in order to improve the business environment in the region through investment liberalization and facilitation.

Key conclusions are:

1. High-level commitment to investment liberalization and facilitation is crucial for the betterment of the business environment.
 - APEC Economic Leaders should reaffirm commitments to achieve the Bogor Goals.
 - APEC and ABAC should reaffirm and further strengthen their collective mission to promote economic growth through an improved regional business environment that attracts foreign direct investment.
2. The Seminar identified useful best practices for public-private sector dialogue carried out in the region, which can be applied to strengthen the relationship of APEC and ABAC.
 - Structures of expanded dialogues may include dialogues among ABAC and Leaders, Ministers, Senior Officials, EC, CTI and its sub-fora.
 - APEC and ABAC could implement public-private sector dialogue in their economies

aiming at improvement of the business environments of their respective economies with the assistance of local and foreign business associations.

3. APEC and ABAC should consider involving third parties from academia including PECC, where appropriate, to make sure that the necessary expertise and stakeholder input is considered in the context of public-private sector dialogue. PECC drawing on its experience as an official observer in the APEC process has the capacity to contribute to these dialogues. The method and type of coordination with third parties should be left to the various dialogues to work out as appropriate or their needs.
4. APEC and ABAC should identify the broad range of policy issues that can impact investment liberalization and facilitation and prioritize those issues based on their potential impact on economic stability and growth. Using the prioritized issues as a guide, APEC and ABAC should jointly develop action plans to further the Bogor Goals with target dates for completion in 2010.
5. More focus should be given to capacity building in order to enable developing economies to benefit from investment liberalization and facilitation in regional and global economic integration.
 - APEC and ABAC should jointly identify specific capacity-building needs and develop tailored capacity-building programs with the assistance of aid agencies and IFIs.
 - APEC and ABAC should share the successful experiences of member economies that improved investment climate drastically attract foreign direct investment.
 - Capacity building should include a program to facilitate the implementation of guidelines/frameworks such as model measures for RTAs/FTAs and OECD Policy Framework for Investment.
6. Monitoring and assessment mechanisms for action plans are key to get results.
 - APEC and ABAC should develop a mechanism to assess the improvement of the business environment. These assessments would be carried out on a regular basis every year.
 - Transparent and a short-cycle monitoring mechanism would enhance implementation and fine-tuning of action plans that lead to further improvement of the business environment.
 - Monitoring mechanisms should be linked with the IAP review process of APEC.

APEC Seminar for Promoting Public-Private Sector Dialogue

Programme

Date: Sunday, June 24, 2007

Venue: "Hall A" of the Cairns Convention Center, Cairns,
Queensland, Australia

10:00 – 10:15 Opening and Explanation of Objectives

Mr. Kunihiro Shinoda, Director of APEC Office, METI, Japan

10:15 – 12:00 Session 1: Case Study

Public-Private Dialogue for Business Environment Improvement

- Viet Nam-Japan Joint Initiative
- Indonesia-Japan Public-Private Joint Investment Forum
- AFTA-CER Business Council
- US-ASEAN Business Council/National Center for APEC

Representatives of each public-private dialogue in the region will introduce their activities so that participants can share practices of public-private dialogue.

Speakers:

- Mr. Hiroaki Yashiro, The Japan Business Association in Vietnam
- Dr. Rizal Affandi Lukman, Coordinating Ministry for Economic Affairs, Indonesia
- Dr. Brent Davis, Australian Chamber of Commerce and Industry (AFTA-CER Business Council)
- Mr. Joseph Alhadef, Oracle Corporation (US-ASEAN Business Council/National Center for APEC)

MC: Mr. Hidehiro Okayama, Tokyo Chamber of Commerce and Industry

13:30 – 14:45 Session 2: Panel Discussion

Study Issues for Strengthening Function of Public-Private Dialogues

- Policy issues to be discussed
- Structure of dialogue (plenary meetings, working group meetings, and so on)
- Participating organizations, contact points, levels of participants

- Process for public-private dialogue (e.g. clarification of needs, identification of issues, policy recommendations, review)
- Implications to policy reforms
- Collaboration with other schemes (e.g. investment agreements, capacity building through technical cooperation)

Discussants will identify the best practices for the public-private dialogue, including structure, issues to be discussed, mechanism to implement and review, and implications to policy reforms.

Moderator

- Professor Christopher Findlay, University of Adelaide

Discussants:

- Mr. Hiroaki Yashiro, The Japan Business Association in Vietnam
- Dr. Rizal Affandi Lukman, Coordinating Ministry for Economic Affairs, Indonesia
- Dr. Brent Davis, Australian Chamber of Commerce and Industry (AFTA-CER Business Council)

15:15 – 16:30 Session 3: Panel Discussion

Policy Implications for both APEC and ABAC

- Follow-up on policy recommendations proposed at the Symposium on Investment Liberalization and Facilitation on May 29, 2007
- Strengthening of collaboration between APEC and ABAC
- Expansion of interactions between ABAC and other public-private dialogue schemes (bilateral as well as plurilateral)
- Discussion on how to proceed with the expanded work program on investment liberalization and facilitation for improvement of the business environment

Prof. Shujiro Urata of Waseda University will report outcome of the Symposium on Investment Liberalization and Facilitation held on May 29, 2007 in Tokyo, Japan. Discussion will focus on strengthening collaboration between APEC and ABAC through public-private dialogue.

Moderator

- Professor Christopher Findlay, University of Adelaide

Speaker

- Professor Shujiro Urata, Waseda University

Discussants:

- Mr. Juan Raffo, Co-Chair of ABAC 2007
- Mr. Ken Waller, Senior Advisor, ABAC Australia
- Mr. Joseph Alhadeff, Oracle Corporation (US-ASEAN Business Council/National Center for APEC)
- Mr. Roy Nixon, Convenor, APEC IEG

16:30 – 17:00 Session 4: Wrap-up

Work Program on Investment Liberalization and Facilitation

- Develop key conclusions to improve the business environment through investment liberalization and facilitation with enhanced collaboration between APEC and business community in the region

Moderator:

- Hidehiro Okayama, Tokyo Chamber of Commerce and Industry

Discussants:

- Professor Christopher Findlay, University of Adelaide
- Mr. Juan Raffo, Co-Chair of ABAC 2007
- Mr. Ken Waller, Senior Advisor, ABAC Australia
- Mr. Joseph Alhadeff, Oracle Corporation (US-ASEAN Business Council/National Center for APEC)
- Professor Shujiro Urata, Waseda University
- Mr. Roy Nixon, Convenor, APEC IEG



Mr. Hiroaki Yashiro

Chairman, the Japan Business Association in Vietnam
General Director in Vietnam, Itochu Corporation

Hiroaki Yashiro joined Itochu Corporation in 1976. He has spent his career working for oil, gas & Petrochemical projects in Africa and South Asia. He was stationed in Lagos, Nigeria from 1977 to 1979 and in Bangkok from 1989 to 1995. Mr. Yashiro was assigned as General Director in Vietnam in 2006.

In addition to his work for Itochu Corporation, he was appointed as chairman of the Japan Business Association in Vietnam in 2006.

The Japan Business Association in Vietnam (JBAV) plays an important role in the Vietnam-Japan Joint Initiative. The JBAV is dedicated to improving business environment and to strengthening competitiveness of Vietnam.



Dr. Rizal Affandi Lukman

Assistant to Deputy Minister for Bilateral Economic
Cooperation, Coordinating Ministry for Economic Affairs

Rizal Affandi Lukman worked for the Bureau of Economic Analysis and Statistics (BAPPENAS). He worked as Division Head of Special Studies from April 2000 to March 2001, and as Division Head of Poverty Analysis from March 2001 to June 2001.

Dr. Lukman has been engaged as Assistant to the Deputy Minister for Bilateral Economic Cooperation, within the Coordinating Ministry of Economic Affairs since June 2001.

In addition to his current position, he also has served as Executive Secretary to the Monitoring Team for Implementation of Economic Policy Packages for Investment Climate Improvement since March 2006.

He worked as Executive Secretary to the Monitoring Team for Implementation of Economic Policy Packages (White Paper) IMF Exit Program from September 2003 to October 2004.



Dr. Brent Davis

Director, Trade and International Affairs
Australian Chamber of Commerce and Industry

Brent Davis is Director of Trade and International Affairs with the Australian Chamber of Commerce and Industry, Australia's premier business organisation.

His responsibilities cover the Chamber's engagement in trade policy, facilitation and promotion work, and he represents the ACCI on a range of national and international consultative organisations, including the International Chamber of Commerce, and the Confederation of Asian Chambers of Commerce and Industry.

His career has ranged across banking (with Citibank), politics (as a political and economic adviser to conservative Australian politicians), journalism (News Ltd), and teaching (Australian National University, and the Australian Graduate School of Management).



Mr. Joseph Alhadeff

Vice President, Global Public Policy
Oracle Corporation

Joseph H. Alhadeff is the Vice President for Global Public Policy and Chief Privacy Officer for Oracle Corporation, one of the world's leading supplier of information management software. Mr. Alhadeff is responsible for coordinating and managing Oracle's global privacy and public policy issues.

In addition to his role at Oracle, Mr. Alhadeff serves a prominent role in several influential international organizations dedicated to Internet policy, security and privacy. Mr. Alhadeff serves as the BIAC Vice Chair to the OECD ICCP Committee, head of industry delegation to the OECD Security Steering Group, and a Vice Chair of the International Chamber of Commerce's Electronic Business and Information Technology Committee. In the US, Mr. Alhadeff chairs the Internet Law and Policy Forum, the Information Technology Committee for the US India Business Council and Government Affairs Committee for the Software and Information Industry Association, is Vice Chair of the USCIB's E-Business Committee, Co-chairs the IT Committee of the US-ASEAN Business Council and is an ABAC Board member.

Prior to joining Oracle, Mr. Alhadeff was General Counsel and Vice President for Electronic Commerce for the US Council for International Business (USCIB) in New York.



Prof. Christopher Findlay

Head of School

School of Economics, the University of Adelaide

Christopher Findlay from November 2005 took up the position of Professor of Economics at the University of Adelaide. Prior to that he was Professor of Economics in the Asia Pacific School of Economics and Government at the Australian National University. Australia's economic relations with Asia are the theme of his research. Professor Findlay has a PhD and MEd from the ANU and an Honours degree in economics from the University of Adelaide. He is Vice-Chair of the Australian Committee for Pacific Economic Cooperation (Auspecc).



Mr. Roy Nixon

Senior Adviser, Foreign Investment and trade Policy
Division, Department of the Treasury

Australian Government

Worked for over 25 years in the Australian Treasury in a number of areas including banking policy, competition policy, foreign investment and trade policy. Spent 2 years in the UK working in their Monopolies and Mergers Commission. My education and training were in the UK and I have an honours degree in Economics and Economic History from the University of Wales. My principal area of expertise covers issues in international investment agreements and FTA negotiations. Worked extensively on major multilateral agreements including the OECD MAI and the WTO GATS and many bilateral and plurilateral BITs and FTAs including Australia's agreements with the US, Singapore and Thailand. I have had a long association with APEC including the original negotiation of the APEC Non-Binding Investment Principles in 1994 and have been the Chair of the APEC Investment Experts Group since February 2005.



Dr. Shujiro Urata

Professor

Graduate School of Asia-Pacific Studies, Waseda University

Shujiro Urata is Professor of Economics at Graduate School Asia-Pacific Studies, Waseda University, Faculty Fellow at the Research Institute of Economy, Trade and Industry, Research Fellow at the Japanese Centre for Economic Research. Professor Urata received his B.A. in Economics from Keio University in 1973 and his M.A. and Ph.D. in Economics at Stanford University in 1976 and 1978. He is a former Research Associate at the Brookings Institution and an Economist at the World Bank. He specializes in International Economics and Economics of Development. He has held a number of research and advisory positions including senior advisor to the Government of Indonesia, consultant to the World Bank, OECD, the Asian Development Bank. and the Government of Japan. He published and edited a number of books on International economic issues and is an author and co-author of numerous articles in professional journals. His publications in English include *Competitiveness, FDI and Technological Activity in East Asia*, co-editor, Edward Elgar, 2003, *Bilateral Trade Agreements: Origins, evolution, and implications*, co-editor, Routledge, 2005, *Multinationals and Economic Growth in East Asia*, co-editor, Routledge, 2006



Mr. Ken Waller

Senior Advisor, ABAC Australia

Ken Waller is Advisor to ABAC Australia and until recently has been Coordinator of the ABAC Finance Working Group.

He is chairman of the Australian Monash APEC Study Centre Advisory Board for Capacity Building in Financial Services and Director of the Melbourne APEC Finance Centre.

For the last six years he has been Group Economic Advisor to the Commonwealth Bank of Australia on regional and global economic issues and financial regulatory matters. Prior to that he was Group Economic Advisor to the Colonial Group (1998-2000).

He had an extensive career in the Australian Commonwealth Treasury.

He was Assistant Secretary for Financial Institutions Division during a period of major financial reforms in the 80's and subsequently advised on relations with the IMF, World Bank and EBRD. He was senior representative in London (1978-82) and Beijing (1994-98), and Executive Director for Australia on the Board of the ADB (1988-92).

He is a graduate of London University with a B.Sc. (Econ), and honorary professor of economics at Zhongnan University of Finance and Economics, Wuhan, China.



Mr. Juan Francisco Raffo
Co-Chair, ABAC 2007
Chairman, The Raffo Group

Juan Francisco Raffo is Chairman of the Raffo Group, one of the most important business groups in the country. The Group includes Textil San Cristobal, one of the main exporters of cotton textiles in Peru. He is also Chairman of L.P. Holding and Los Portales S.A., which are involved in real estate development and hotel operations. He is also a board member of Universal Textil S.A., Industria Textil Piura S.A. and Atlas Copco Peruana.

Mr. Raffo is founder, former President and member of the Board of the Peruvian Foreign Trade Association (COMEXPERU), a private nonprofit business organization that seeks to contribute to Peru's sustainable development through the promotion of foreign trade and investment activities. He also serves as a board member of the Peruvian Institute of Economics, a private think-tank.

Report on Investment Circumstances in Vietnam



The Japan Business Association
In Vietnam
June 24th, 2007

Current Situation of Investment from Japan

1. Year-2005

1) All countries

New Investment : 922projects US\$4,300mil

Capital Increase : 607projects US\$2,100mil

Total : US\$6,400mil

2) Japan

New Investment : 107projects US\$442mil

Capital Increase : 106projects US\$480mil

Total : US\$922mil

2. Year-2006

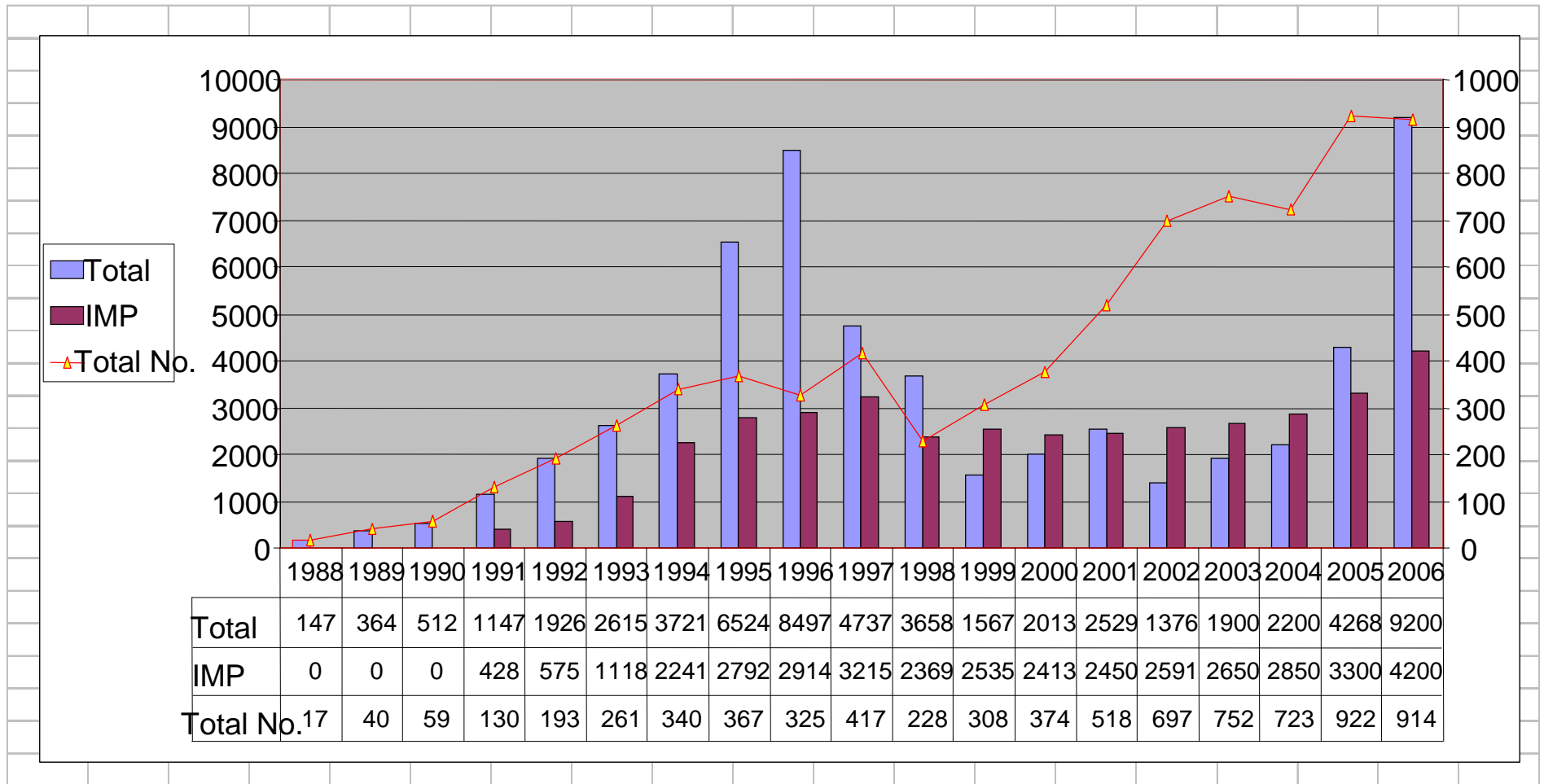
1) All countries : 1,448projects US\$11,700mil (New US\$9,200mil)

2) Japan : 237projects US\$1,400mil (New US\$1,060mil)

New Investments=US\$1,060mil v.s. US\$442mil in '05

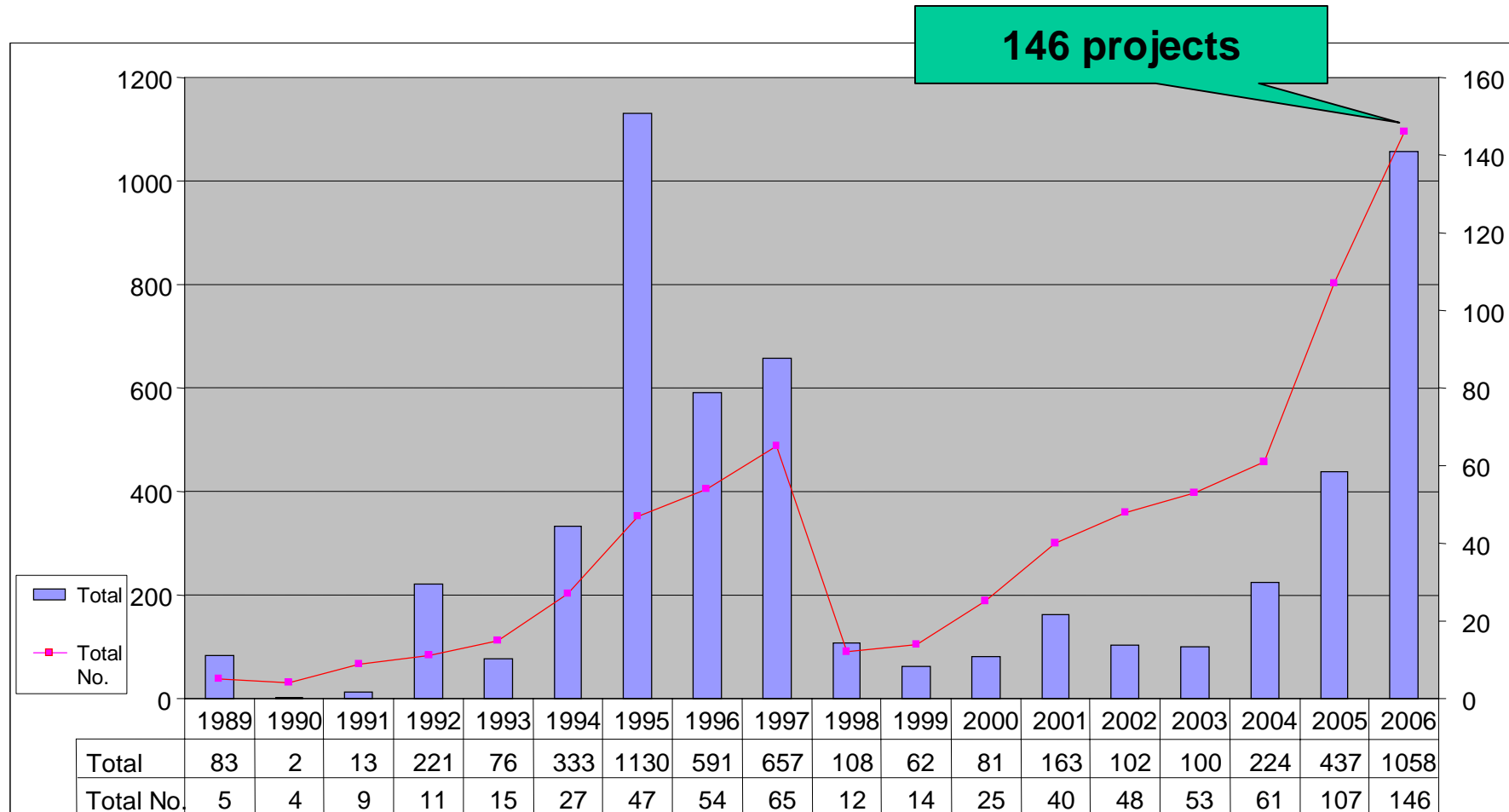
Number of JBA members 249

Investment (from all countries) (approved total amount & implemented)



By MPI

Investment from Japan (newly approved amount)



By MPI

Visit to Vietnam of Keidanren Mission

(19-20 November, 2006)

1. Expression of high appreciation on recent improvement of investment circumstance

2. Suggestion for further improvement of important field of investment circumstance such as;
 - * relieve of regulation on service and logistics business
 - * proper protection for intellectual property rights

Expecting successful achievement of Vietnam-Japan
Joint Initiative Phase-2

Major concerned issues for Japanese Investors(1)

1.Promotion of Investment

- 1) Identifying the schedule of opening of the investment market such as banking, insurance, energy and retail trading.
- 2) Strengthen the function of FIA

2. Banking, taxation & accounting

- 1) Early notice & information on a change of tax incentive rule
- 2) Subject to approval by Vietnamese authorities, extension is to be given for submission deadline of audit report which should be submitted within 90days from closing of each fiscal year

Major concerned issues for Japanese Investors(2)

3. Labor Issue

- 1) Strict and adequate measurement for prohibition against illegal strike
- 2) Extension of possible over time
- 3) Flexible choice of term of contract

4. Customs, Logistics

- 1) Information exchange on illegal import of goods between investors and custom authorities
- 2) Strict abolishment of registration of import plan

Major concerned issues for Japanese Investors(3)

5. Technology Transfer

- 1) Strict enforcement of recently introduced intellectual property rights and guiding decrees
- 2) Proper enforcement of environmental regulation and guiding decrees

6. Industries

- 1) Active exchange of opinions while drafting Master Plan for motor-cycle industry for the submission to the Ministry of Industry

Major concerned issues for Japanese Investors(4)

7. Infrastructure

- 1) Improvement of stable power supply;
 - * adequate pre-notice of power-cut
 - * private participation in the power sector
- 2) Improvement of traffic safety
- 3) Further improvement of telecommunication service

Those issues are to be discussed and resolved under the Vietnam – Japan Joint Initiative Phase-2

- Thank You -

Vietnam-Japan Joint Initiative Phase-2 For enhancing the competitiveness

June 2007
Japan Business Association



Outline of Initiative

Purpose

- To improve the circumstances of investment in Vietnam**
- To make Vietnam a more attractive investment destination**

Scheme

- (1) Action plan is agreed between the Vietnamese government, Japanese government and Japanese private companies**
- (2) Monitoring the progress of action plan over two years and report the final result in public**

Background

- (1) Japan is the largest in investment amount as well as ODA commitment**
- (2) Dialogue scheme between the official and private organization**
- (3) Joining of Vietnam to WTO**



History of Vietnam-Japan Joint Initiative

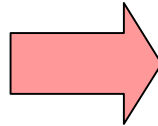
- **April 2003** : Joint Initiative was agreed between the government of Vietnam and Japan
- **December 2003**: Action Plan (44 items) was agreed
- **December 2005**: Evaluation & Promotion Committee (85% was achieved for improvement and 2nd phase was agreed
- **July 2006** : Action Plan of Phase-2 (46 items) was agreed
- **May 2007** : Monitoring Committee (74% was achieved)
- **December 2007** : Evaluation & Promotion Committee



Flowchart of setting the action plan

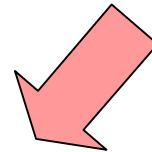
Sorting problems

- Members of JBA sort out problems in investment
- Study on proper support



Bilateral Dialogue for solution

- Sharing the concern on problems
- Seeking for the solution



Setting up the action plan

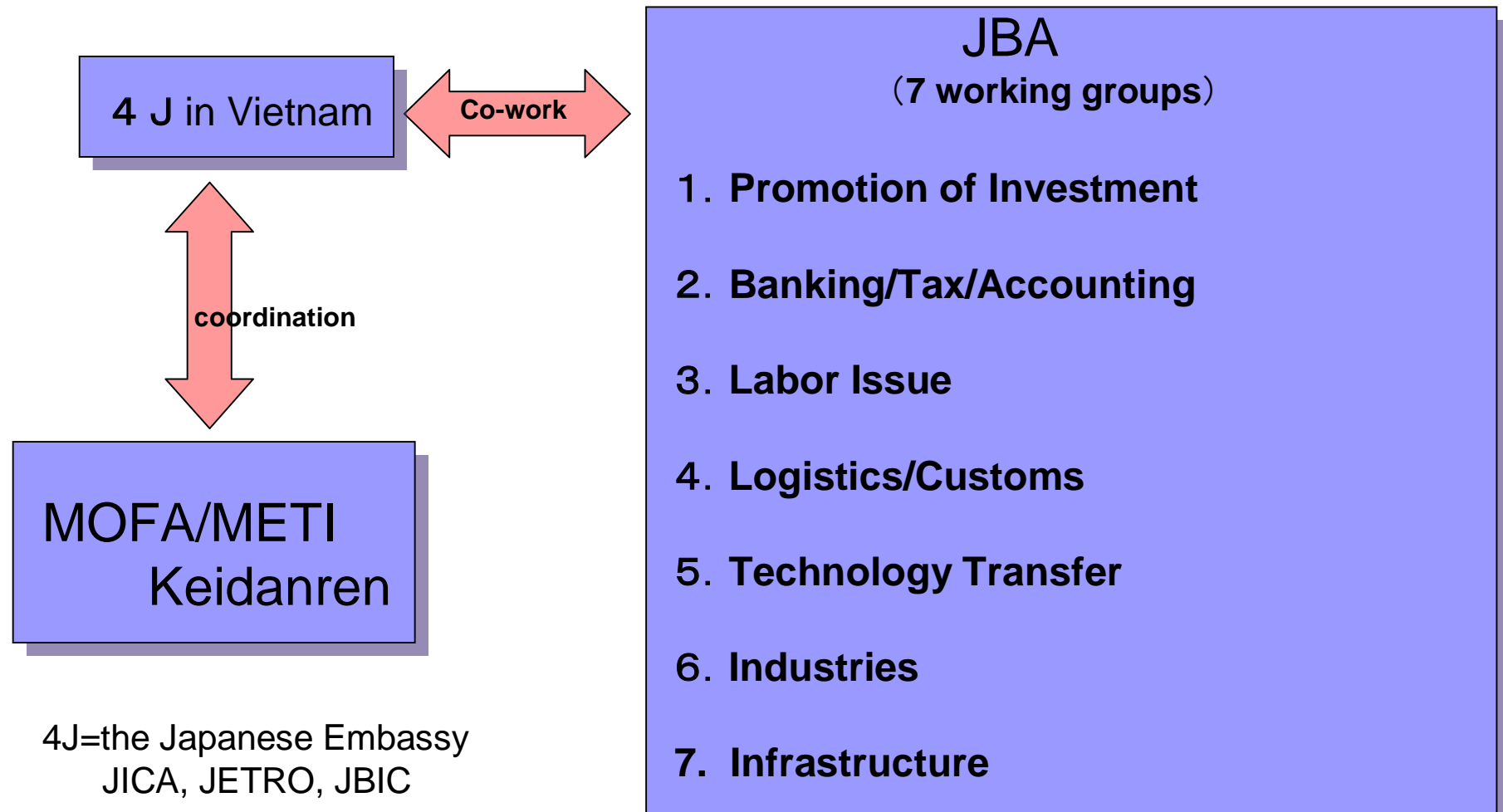
【Vietnam Side】

- Review & adjustment of regulations/laws application

【Japanese Side】

- Support by ODA

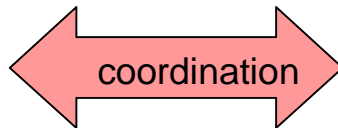
Japanese Side (Phase-2)



Vietnam Side

MPI

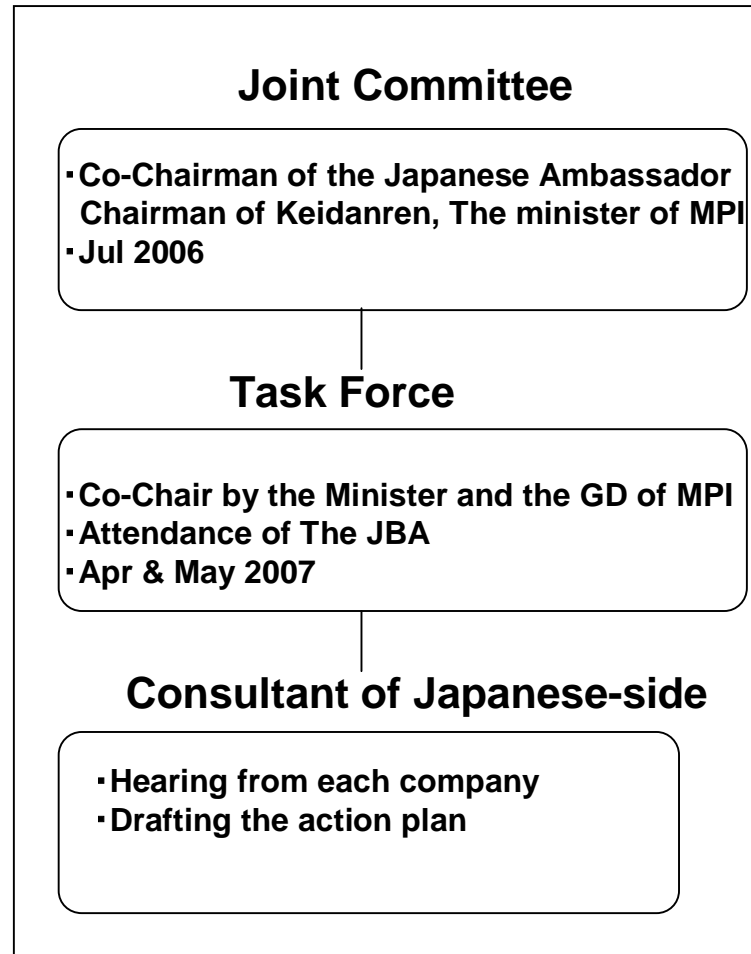
(coordinator)



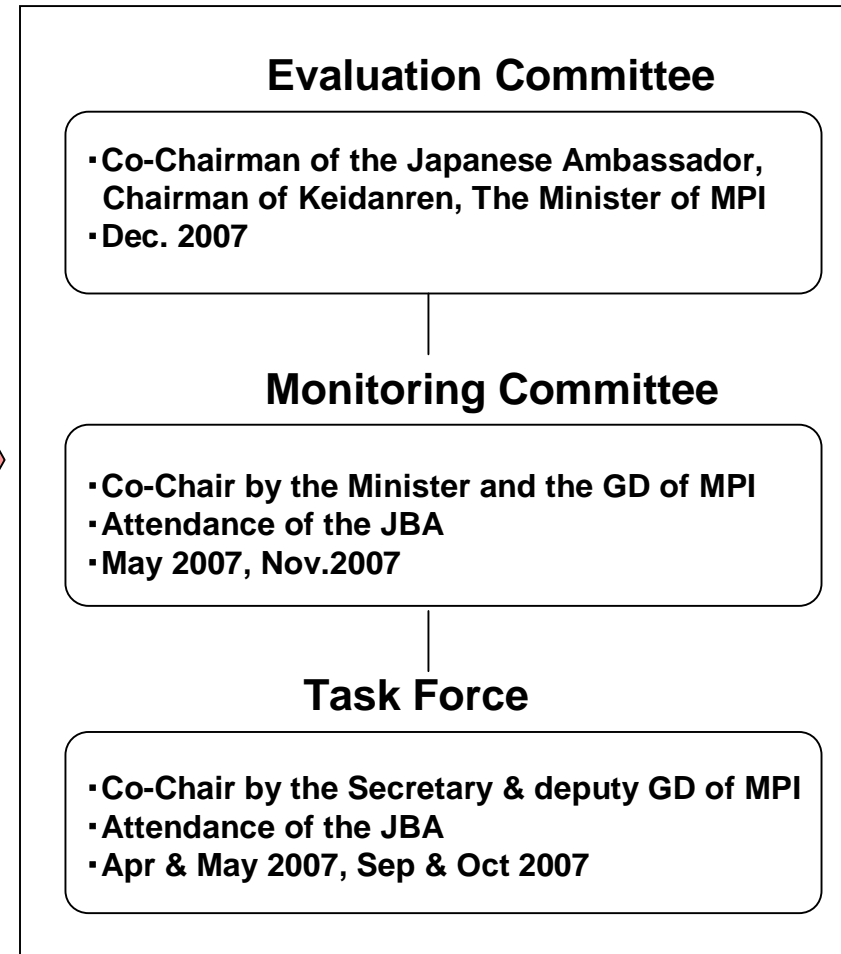
Government Office	Min of Transport
Min. of Finance	Min of Post & Telecom
Min of Commerce	Min. of Resources
Min of Industry	Min. of Justice
Min of Science and Technology	Min, of Labor

Bilateral Collaborative Scheme

Setting up the action plan



Monitoring of the action plan





Contents of the Action Plan of Phase-2

Commitment on the Action Plan of 46 items (80 sub-items) from the Vietnamese Government

Examples of issues

- Improvement of Unanimous Rule in Board Meetings
- Bidding rule in Joint Venture with 30% share of national entity
- Clarification of investment incentives
- Simplify of custom clearance
- Clarification of prohibited items for import/export
- Regulation of used cars
- Proper application of regulation on environment
- Clarification of technology transfer law
- Solution of Power Shortage
- Privatize of Power Producer



Monitoring

December 2003 Report of Action plan for both Prime Ministers

June 2004 Monitoring Committee

OX evaluation rule

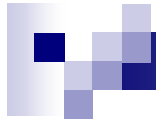
November 2004 Evaluation & Promotion Committee

May 2005 Monitoring Committee

- Phase-1 completion
- Agree on Phase-2

December 2005 Evaluation & Promotion Committee

May 2007 Monitoring Committee



Monitoring Results

Phase-1 (40 items/125 sub)

◎「Completed」or ○「Progress on schedule」=85%

◎ (Completed) : 4 1

○ (Progress on schedule) : 6 4

△ (Delayed from schedule) : 4

× (No Progress) : 1

Others (Pending) : 1 3

Phase-2 (as of May 2007 46items/80 sub)

◎「Completed」 & ○「Progress on schedule」=74%

◎ & ○=59, △=4、X=1、Pending=16

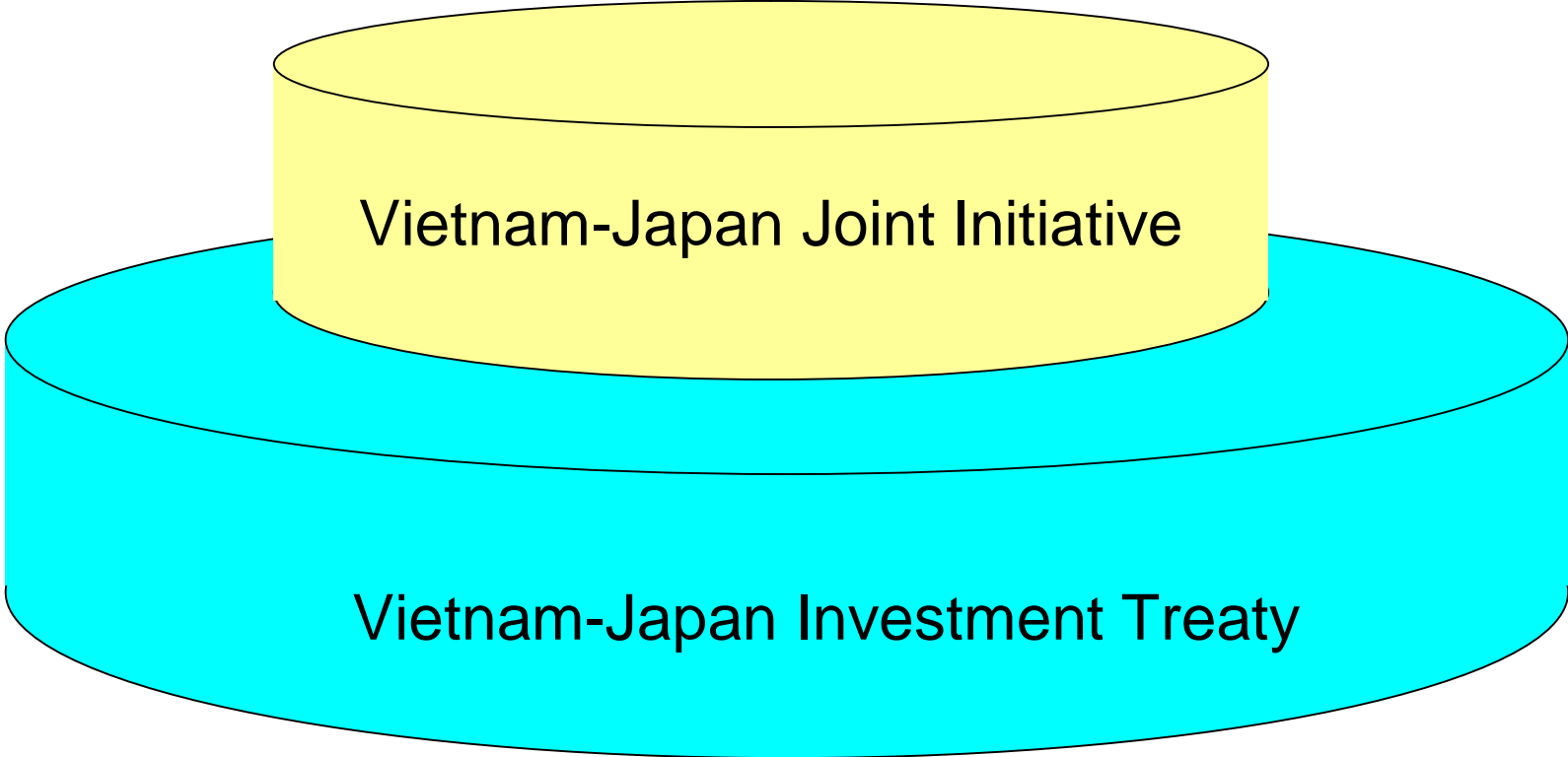


Reasons of Success

1. Excellent bilateral relationship between Vietnam and Japan
2. High level political involvement
3. Public Private collaboration
4. Commitments with a deadline on the action plan and monitoring
5. Support by ODA for implementing the action plan
6. Openness and transparency of the result



Thank You !!



Vietnam-Japan Joint Initiative

Vietnam-Japan Investment Treaty



Republic of Indonesia

Report on Indonesia-Japan Public-Private Joint Investment Forum

Dr. Rizal Affandi Lukman
Coordinating Ministry for Economic Affairs

APEC Seminar for Promoting Public-Private Sector Dialogue
Cairns, Australia
June 24, 2007

Economic Relations between Indonesia and Japan



Republic of Indonesia

Trade

- Japan is the leading trading partner to Indonesia (21% of Indonesian total export goes to Japan).

Investment

- Japan ranks top among the countries investing in Indonesia corresponding to 13% of the total FDI.
- The accumulated Japanese direct investment to Indonesia from 1967 until 2005 reached about US\$ 39 billion, and has been on a recovery trend recently. From the lowest level of US\$ 519 million inflow in 2002, it increased to US\$ 1.7 billion in 2004 and US\$ 1.2 billion in 2005.
- Number of Japanese companies operating in Indonesia are around 1000 companies.
- Number of Indonesians employed at Japanese companies are more than 200,000 workers.

Background of Establishing Joint Forum on Investment



Republic of Indonesia

- The two leaders, President of the Republic of Indonesia and Prime Minister of Japan, acknowledging the Indonesian objective of **doubling the volume of foreign investment to Indonesia** from each investing country, including that from Japan, over the next five years, decided to cooperate under **the Strategic Investment Action Plan (SIAP)** to achieve its objective by improving investment climate in Indonesia with the President's strong leadership.
- The two government reaffirmed that improving investment climate is essential for Indonesia to achieve higher economic growth and to reduce unemployment and poverty.

The High Level Government/ Private Sector Joint Forum on Investment



Republic of Indonesia

Objective of the Joint Forum

- The Objective of the Joint Forum is to improve investment climate in Indonesia by having policy and action-oriented discussion on problems that hinder investment and promoting policies and concrete measures to solve them.
- The Joint Forum on Investment provides a framework for the improvement of the investment climate by facilitating practical solutions to concrete problems faced by the investors through a regular dialogue between **the public** and **the private sector**. This framework called as **Strategic Investment Action Plan (SIAP)**.
- Bilateral forum but outcomes are for all.



Scope of The Strategic Investment Action Plan (SIAP)

SIAP covers all the subjects which hinder investment and is composed of 118 actions in 5 sectors, namely:

1. Tax
2. Customs
3. Labor
4. Infrastructure, and
5. Competitiveness/SME



1. Tax

- **Establishing and strengthening Self-Assessment System**
 - Reduction of Withholding Tax
 - Reform on Tax Prepayment/Installments
 - Improvement of Tax Service to raise public awareness on tax payment
- **Reforming VAT for Export Promotion**
 - Accelerating VAT Refund process
 - Removing the 2% Administrative Penalty due to tax invoice without buyer's identity
 - Applying 0% Tax Rate on the Export of certain Service
- **Protecting Taxpayers' Rights**
 - Improving Code of Conduct of Tax Officers
 - Reforming Tax Collection System



1. Tax (cont'd)

- **Promoting Transparency and Disclosure**
 - Establishing the standard tax audit method and Code of Conduct
 - Preparing Data Base of the DGT Decrees, Circular letters, and Frequently Asked & Questions
- **Reducing Real Business Cost**
 - Increasing Deductible Expense Related to Welfare Cost
- **Promoting Human Exchange**
 - Reviewing the current structure of Exit Tax as fiscal prepayment



2. Customs

- **Reducing administrative obstacles to speed up customs clearance**
 - Appointing a substitute in case authorized signer is absent
 - Customs clearance beyond office hours
 - Speedy Inspection for Customs Clearance (with assistance from JICA)
 - Simplification of customs clearance procedure
- **Improving work ethic**
 - Establish "Direct Hot Line" to the Head of Customs Office to respond any reports on misconduct officers
- **Socializing new regulation/ law and its interpretation**
 - Allow socialization period for new regulations, internal instructions and circulars (with assistance from JICA)
 - Reduce different interpretations made by customs officers
 - Establishing "One Stop Counter" for Customs procedures



2. Customs (cont'd)

- **Implementing EDI system and On-line DGCE Official Website**
 - Development and maintenance of updated integrated DGCE website and EDI system on the basis of customer friendly self assessment (incl. HS Code)
- **Enhancing effectiveness of bonded warehouse**
 - Facilitation of distribution
- **Enhancing Transparency and Fairness**
 - Prior notice 1-2 days before issuance of "to-be blocked" notice and 3 days to complete the requirement before "blocking". And immediate "Blocking" removal.



3. Labor

- **Reviewing the related supplementary regulation of the Labor Law to ensure competitiveness of private companies**
 - Reviewing the related supplementary regulation of the Labor Law No.13/2003 (e.g. Severance allowance, Strike, Restrictions on dismissal, Outsourcing works, Collective labor agreement, Skill development fund, Minimum wage decision system)
- **Enforcing the Industrial Relations Dispute Settlement Law properly to solve the disputes quickly and fairly**
 - Completing the Information Collection System on past labor disputes decision for administrative purpose and accessible for the public.
 - Completing training materials using such system for related bipartite/tripartite people to implement the new law properly
 - Implementing seminars or trainings for training new mediators, conciliators, arbitrators and ad hoc judges



3. Labor (cont'd)

- **Promoting social systems to create fair, flexible and productive labor market**
 - Improving vocational training
 - Improving Job placement and
 - Developing national certification system
- **Simplifying the procedure to obtain business visa for smooth business activities by expatriates**
- **Establishing the practical social security program**



4. Infrastructure

- **Facilitating Public Private Partnership (PPP) in Infrastructure**
- **Establishing Procedure for Land Acquisition**
- **Setting up Policy on Tariff System**
- **Establishing fair competition policy and appropriate regulation for private sector participation**
- **Developing Risk Management**
- **Reviewing Regulations in Transportation**
- **Designing the regulations to compensate for the damages and losses at end-user caused by power interruption and/or voltage and frequency fluctuations by distributor**
- **Assessment of taxes and duties related to power business**
- **Improvement of road management to decrease traffic jam**
- **Making a mid-term plan on power generation capacities and reinforcement of transmission lines and substations**
- **Setting-up Infrastructure Development Plan in transport sector**



4. Infrastructure (cont'd)

- Starting Indonesia Infrastructure Forum
- Starting Pilot/Model Projects
- Facilitating the implementation of the existing power plant projects
- Completing Jakarta Outer Ring Road
- Rehabilitating road infrastructure in Eastern Jakarta industrial area
- Constructing highway between Jakarta and Bandung
- Development of highways between Big Cities & significant industrial areas
- To Improve and modernize facilities in major International and/or Domestic significant Airports (including Cargo Facility)
- Rehabilitation of access roads to major international Airport and/or development of alternative routes or methods to the airport
- Promoting modal shift in JABOTABEK Area (from automobile mode to railway mode) within the integrated traffic policy.
- To improve logistic facilities and transport management for Eastern Jakarta
- Consistent Policy on Fuel



5. Competitiveness/SME

- **Making an industrial strategy for enhancing competitiveness of Indonesia**
 - Making a strategy of major industrial sectors (electric/electronics, automobile, textile and garment)
 - Analyzing export competitiveness of industrial products in the world market
 - Promoting cluster development
- **Promoting supporting industry**
 - Capacity building for Indonesian SME in marketing, design, and packaging technology
 - Implementing a series of Supporting Industry Promotion (SIP) Program
- **Strengthening the investment agency's role of providing service to investors**
 - Improving investment promotion facility of BKPM
 - Consultations on the New Investment Law, one-roof service and tax incentives



5. Competitiveness/SME (cont'd)

- **Protecting the intellectual property in the domestic market**
 - Implementing intellectual property law and order appropriately
- **Introducing internationally adopted industrial standard**
 - Harmonizing industrial standard in ASEAN regions
 - Starting a survey on testing system of industrial standard and certification system include RFCO (Registered Foreign Certification Organization), encouraging participation from private sectors
- **Deepening the understanding of EPA by the public**
 - conducting seminars on EPA at major cities

Proposed New Actions:

- **Making and implementing Industrial Strategy for enhancing competitiveness of Indonesia**
 - Implementing industrial strategy for enhancing competitiveness of Indonesia (electric/electronics, automobile, textile and garment)
 - Making a strategy of Petrochemical industrial sector
 - Making a proposal of Bio Fuel development



Progress of SIAP

- Reflecting the serious efforts of the Government of Indonesia since the announcement of SIAP in June 2005, until November 2006 significant progress was achieved on 83 action items or about 70% of the total 118 items under SIAP.

Some salient examples of progress are as follows:

- **Tax:** The draft Tax Law, submitted to the Parliament in June 2006, will reduce tax burdens on withholding tax, abolish Exit Tax by 2010, and introduce 0% VAT on export/offshore services. Pending VAT refunds will be paid by mid 2007. New regulation on tax audit and code of conduct for Modern Tax Office has been introduced.



Progress of SIAP (cont'd)

- **Customs:** 24-hour call center established in 6 major Customs Service Offices. Custom services extended outside normal working hours. Public disclosure of trade-related regulations.
- **Labor:** Procedures for business visas and work permits has been simplified.
- **Infrastructure:** Public private partnership framework prepared, including the establishment of risk management units.
- **Competitiveness/SME:** enactment of new Investment Law, provides a conducive legal framework of investment, including equal treatment between foreign and domestic investments. “Front office of BKPM” was established to provide services for investors. The period of investment license approval in BKPM has been reduced within 10 days. Indonesia Mold and Dies Industry Association (IMDIA) established with support from JETRO.



Plan a head

- As a result of investment climate has improved substantially in Indonesia, many major Japanese manufacturing companies, in sectors such as automobiles, machinery, electronics, energy and textiles, have announced **substantial investments** in order to expand their production capacity in Indonesia in the coming years. In addition to that, **new investments**, in areas such as energy and mineral resources, power generation, and retail, have been announced or implemented to start operation in Indonesia.
- Under the **Joint Forum**, Indonesia will continue to strengthen efforts for improving investment climate, and Japan is committed to continue to support such efforts.
- The significant progress in the **Strategic Investment Action Plan (SIAP)** would further promote Indonesia-Japan bilateral relations which have been developed for many years as longstanding close partners in investment and trade.



Republic of Indonesia

Thank You



Republic of Indonesia

Strategic Investment Action Plan within the Framework of Indonesia-Japan Public-Private Joint Investment Forum

Dr. Rizal Affandi Lukman
Coordinating Ministry for Economic Affairs

APEC Seminar for Promoting Public-Private Sector Dialogue
Cairns, Australia
June 24, 2007

History of Strategic Investment Action Plan



Republic of Indonesia

- On June 2, 2005, Presiden Yudhoyono and PM Koizumi announced the Japan-Indonesia **Strategic Investment Action Plan (SIAP)** as a new initiative for promoting foreign investment in Indonesia by improving investment climate.
- The Strategic Investment Action Plan was prepared by the High Level Public/Private Sector **Joint Forum on Investment** launched on December 16, 2004, in Jakarta.

The High Level Government/ Private Sector Joint Forum on Investment



Republic of Indonesia

Objective of the Joint Forum

- The Objective of the Joint Forum is to improve investment climate in Indonesia by having policy and action-oriented discussion on problems that hinder investment and promoting policies and concrete measures to solve them.
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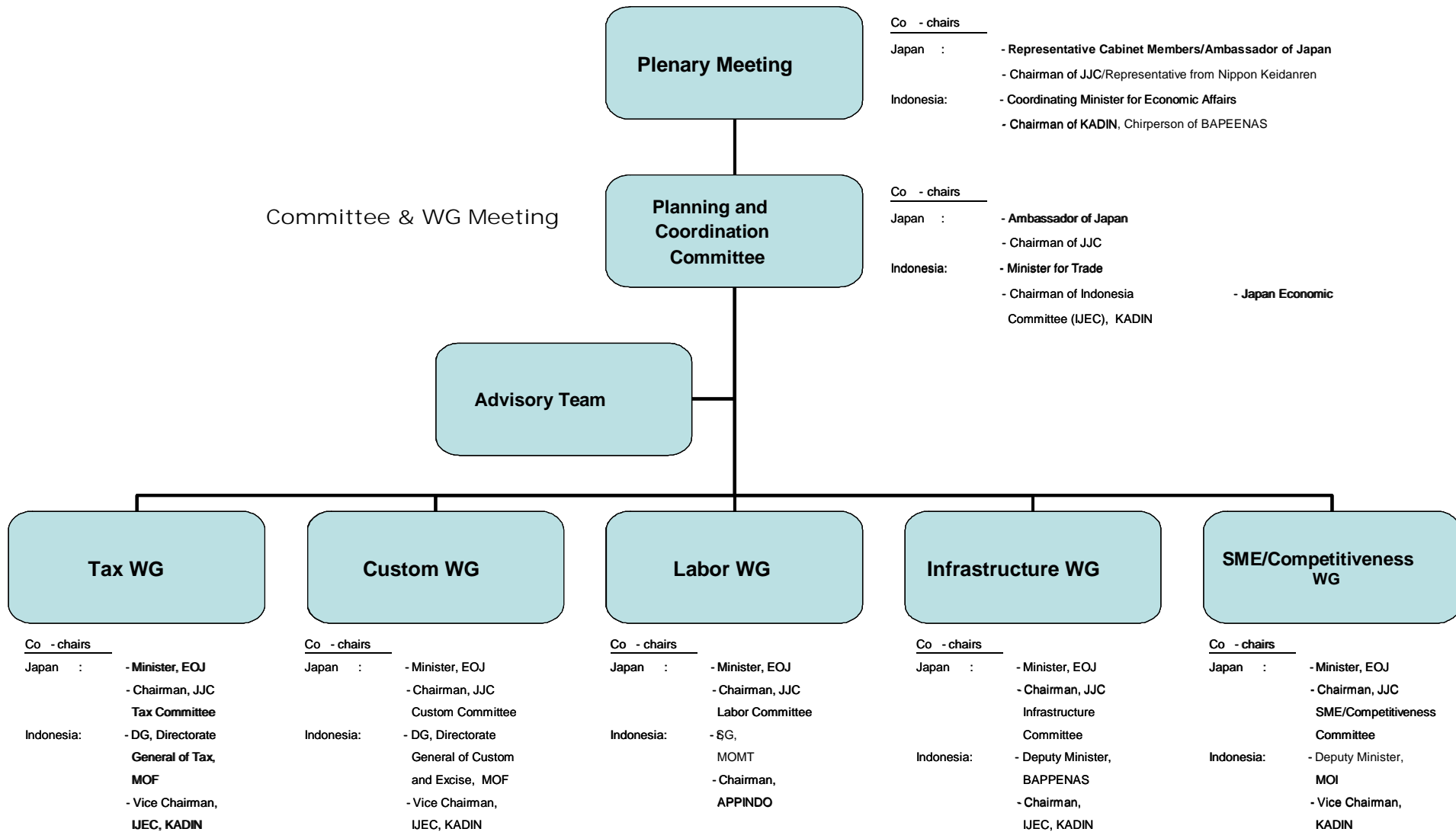
Structure of the Joint Forum

- Consist of Plenary Meeting and Committee / WG Meetings.
 - The role **Plenary Meeting** is to review the progress of Committees' activities and give policy direction for the future work
 - The role of Planning and Coordination **Committee** is to coordinate the work of 5 WGs and to discuss on other important issues including macro-economy, judicial reform, human capacity building and energy.

The High Level ...(cont'd)



Republic of Indonesia



The High Level Government/ Private Sector Joint Forum on Investment



Republic of Indonesia

- **Members:** Governments and Business from both countries
- Working jointly to accelerate the implementation of the SIAP which composed of **118 concrete actions/measures**
- Working Groups cover: Tax, Customs, Labor, Infrastructure, and Competitiveness/SMEs
- in January 2006, after having a medium term review of the implementation of SIAP, Ten Priority Actions were identified and reported to the two leaders as having the most importance and urgency.
- Experts of various fields are joining as advisors to give technical advice
- Japan has provided assistance to Indonesia's efforts at the policy-level through dispatch of experts to the relevant ministries and conducting various studies, seminars and training, as well as at the project-level through provision of ODA loans and export credit for infrastructure projects in transportation, energy and other sectors.

Progress of SIAP until November 2006



Republic of Indonesia

Until November 2006 significant progress was achieved on 83 action items or about 70% of the total 118 items.

	AA	A	B	C	Total
Tax	1	13	4	0	18
Custom	1	18	7	0	26
Labor	2	7	5	0	14
Infrastructure	2	24	16	0	42
Competitiveness/SME	1	13	4	0	18
Total	7	75	36	0	118

Notes:

AA: Completed; Effectively implemented from the viewpoint of investors (output & outcome accomplished)

A: Significant Progress, but need further monitoring and efforts on effective implementation (output accomplished)

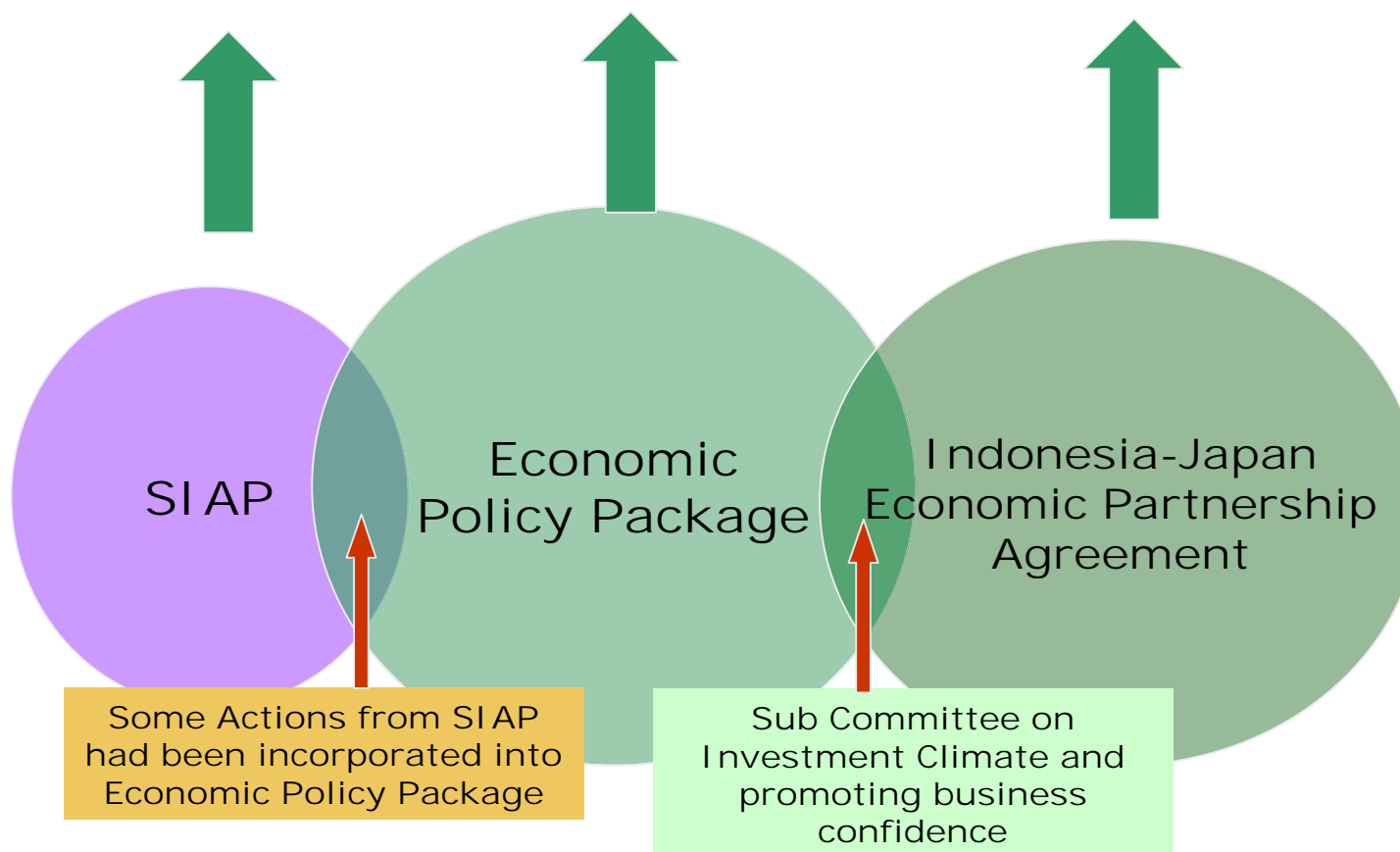
B: On Going

C: Not Started



Interaction with other Scheme

Aim: to improve the investment climate





Economic Policy Package in 2006-2007

Aim: to improve business environment in order to increase private investment for employment creation and poverty reduction





Example Format of SIAP

ACTION	EXECUTING INSTITUTION	TARGET DATE	NO	CURRENT STATUS	REMARKS	FUTURE PLAN
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. TAX						
Accelerating VAT Refund process	DG Tax	2006-2009	7	A	Relevant circulation letter for accelerating Vat refund process was issued on August 2006	Require monitoring for accumulated tax refund until FY 2005 & effectiveness of its circulation letter



Example Format of Investment Policy Package

POLICY	PROGRAM	ACTION	OUTPUT	TIME TARGET	RESULT (OUTCOME)	RESPONSIBLE PERSON
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. INSTITUTIONS						
A. Strengthen investment service institutions.	1. Revise regulations related to investment.	a. Prepare Investment Procedures and Implementation of Integrated Investment Service.	Presidential Regulation (Perpres).	June 2007	Clarity for investors and a simplified investment process	Minister of Trade



Results

- As a result of investment climate has improved substantially in Indonesia, the investment has been turning back with promising increasing confidence among investors as indicated by the following figures.

Investment Realization	1st Q 2006	1st Q 2007	Ratio 2007/2006
Domestic (Rp billion)	8527	13682	1,60
FDI (USD million)	2609	2998	1,15

Investment Approval	1st Q 2006	1st Q 2007	Ratio 2007/2006
Domestic (Rp billion)	16108	77152	4,79
FDI (USD million)	2370	14133	5,96



Lesson Learned

- **Having a good monitoring and evaluation system is needed to determine the real impact on investors of actions taken under SIAP or Economic Policy Package.**
- **Performance criteria could be established and monitored for each actions**
- **A shorter, more focused actions or measures might be more effective.**
- **Need strong leadership from the Government to implement the Actions**



Thank You



ASEAN – CER

Private – Public Dialogue

Dr Brent Davis

Australian Chamber of Commerce and Industry

Cairns, June 2007

ACCI

- Largest business organisation in Australia
- 35 State/Terr. Chambers, and Ind Associations
- 350,000 firms
- 70,000 active in international business
- 240 sister national chambers



International Links

- International Chamber of Commerce
 - United Nations System/World Trade Org
- Business and Industry Advisory Council
 - Org Econ Co-op and Devel (OECD)
- International Organisation of Employers
 - International Labour Organisation (ILO)



International Links

- Asia Pacific
 - CACCI (> APEC) and CAPE
 - CACCI: 9 out of 10 ASEAN's as Members
- Indian Ocean
 - IORBF > IORARC



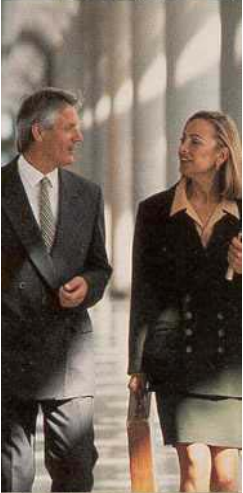
ACCI and ASEAN

- Bilateral Business Councils
- Malaysia and Thailand
- Indonesia, Philippines, Singapore, Vietnam
- Australia – ASEAN BC



Australia and ASEAN

- ASEAN – a market of 558 million people
- Third largest in world after China and India
- Larger than EU or US



Australia and ASEAN

- ASEAN one of Australia's major trading partners
- 12 per cent or so of our exports
- EU = 11 per cent; China = 10 per cent;
- US and NZ each = 7 per cent
- 600,000 ASEAN tourists to Australia
- 60,000 ASEAN students here



Australia and ASEAN

- Australia ranks 10th most competitive nation in world in 2005
- Rank 4th most competitive and highest productivity per capita in Asia Pacific in 2006
- Highly skilled workforce, modern financial services sector, political stability, transparent regulatory environment, good infrastructure



ASEAN- CER FTA

- ACCI basically supportive of efforts to negotiate
ASEAN – CER FTA
- But not unqualified, or open-ended support



Aust Govt Modelling

- Add \$US 48 billion in NPV terms to national output of ASEAN and ANZ countries collectively over next 20 years
- More than half accruing to the 10 ASEANs
- Add 0.3 to 0.4 per centage points to annual growth for all 12 nations

ACCI Modelling

- Mathematical-economic modelling
- Australia good market match with ASEAN
- Australia's export performance better than expected based on conventional trade considerations
- But there was a trend decline in Australia's market share in ASEAN countries



ACCI Objectives

- Deliver outcomes of value to our members
- WTO-plus' outcomes in trade liberalisation and facilitation
- Beyond those achieved in Uruguay Round, and likely in Doha Round
- Margin of 'WTO-plus' measure of success or failure of ASEAN – CER FTA

ACCI Objectives

- Comprehensive, covering 'substantially all trade'
- High quality outcomes ranging across
- Goods, services, agriculture
- Investment, intellectual property
- Govt procurement, movement of natural persons
- All part of a 'single undertaking'
- Subject to periodic review



AFTA – CER BC

- AFTA CER BC is an inter-governmental creation
- Not created by private sector
- Two government selected nominees from each of 10 ASEAN and 2 CER countries



AFTA – CER BC

- Two Australian representatives
- Mr Peter O'Brien, of Oceanis
- (also ACCI President)
- Wal King, of Leighton Holdings



AFTA – CER BC

- Short-lived, and ineffective
- Basically, collapsed in 2005
- Competing demands on business people
- Difficulty at getting very senior business people together often at short notice



AFTA – CER BC

- AFTA-CER BC meetings held ‘at margins’ of other Ministerial/SOMs
- Slow moving nature of ASEAN – CER negotiations
- Competing negotiations
 - For ASEAN – intra-ASEAN
 - For Australia – China, United States etc



ASEAN – CER PPD

- ACCI future directions on ASEAN – CER:
- Maintain dialogue with Aust trade negotiators
- Formation of Australia – ASEAN BC



ASEAN – CER PPD

- Recall Australia already has FTAs with Singapore and Thailand, and (well progressed) Malaysia
- ACCI pushing hard for Aust – Indonesia FTA
- Marginal return after that ?

Modalities

- Formal AFTA – CER BC
- Members: CEOs vs Specialist Snr Mgmt
- General vs Specific Panels
- Standing vs Ad Hoc Panels
- Representatives vs Individuals
- The ACCI approach



Future Directions

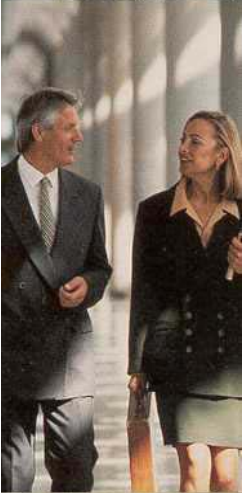
- *“.... we are not necessarily convinced negotiators, despite the best will in the world, will be able to meet the initial, ambitious, deadline of concluding the negotiations by the end of ... 2007.”*
- *Australian business would prefer to see the negotiations driven by a focus on the breadth, depth and quality of the outcome, rather than a end-point marked on a calendar – although this does not mean an open-ended time frame either.”*

Future Directions

- *“Perhaps the better middle ground is an objective and rigorous stock-take of progress, and remaining hurdles, involving both business and governments from ASEAN and ANZ countries, say in the middle of 2008.*
- *If the negotiations are going well, with a quality outcome likely to be achieved within a reasonable time (say ... by 2010), then negotiators should press on. If not, ... political leaders should, to use a cricketing term, ‘call it stumps’.”*

Competing Priorities

- Australia – China FTA
- Australia – Japan FTA
- Australia – GCC FTA
- Australia – Indonesia FTA ?
- Chile, Mexico, South Korea, South Pacific





Dr Brent Davis

Australian Chamber of Commerce and Industry

brent.davis@acci.asn.au



ORACLE



Economic growth: The value of public-private dialogue

Presentation to:

APEC Seminar for Promoting Public-Private Sector Dialogue

June 24, 2007 – Cairns, Australia

Joseph Alhadeff

**Vice President Global Public Policy and Chief Privacy Officer
Oracle Corporation**



Outline

1) Importance of Public-Private Dialogue

2) Introduction: US ASEAN Business Council

3) US ASEAN Business Council Approach to PPD

4) Introduction: National Center for APEC

5) National Center for APEC Approach to PPD

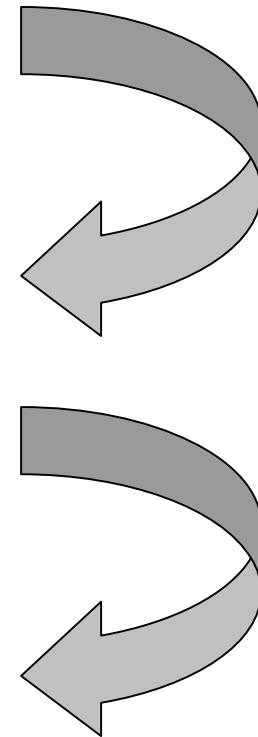
6) Conclusion

Importance of PPD

- Trade and investment liberalization are critical ingredients needed to foster economic growth and achieve the Bogor goals.
- Public and private sector are both essential stakeholders and must communicate, coordinate and cooperate.
- Communication, coordination and cooperation lead to optimal policy formulation and economic growth.
- This is especially true with regard to ICT, where technology changes so rapidly. Regulation and policy need to reflect the technology and business models that drive today's global Information Economy.

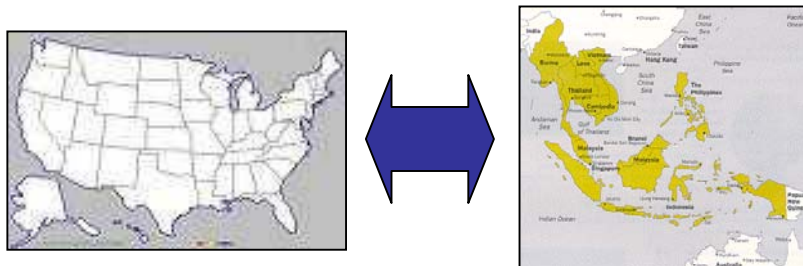
US ASEAN Business Council

- The US-ASEAN Business Council is the voice of the US private sector in the 10-country ASEAN market.
- With over two decades of building strategic alliances and working relationships with ASEAN regional organizations as well as with government and private sector leaders in each country, the Council has helped improve the business environment for US companies.
- One of the primary goals: promote US competitiveness in ASEAN through strong private sector participation in business-governmental partnerships and dialogues.



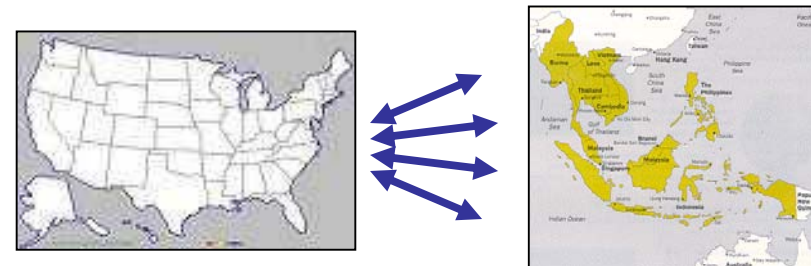
US ASEAN BC approach to PPD

1) REGIONAL



- Members of the Council meet with ASEAN officials to discuss:
 - Policy issues
 - Regulatory harmonization
 - Capacity building
- Example: Hosting a US-ASEAN Dialogue June 21 in Washington, DC, under the Enhanced Partnership agreement.
- High level engagement: The Council and its members also participate routinely in ASEAN Ministerial meetings through a special PPD session (e.g. Finance Ministers in April 2007 in Chiangmai; Economic Ministers in August 2007 in Manila).

2) BILATERAL



- Country or issue specific business missions with officials in the host country, focused on policy discussions.
- Sector specific bilateral PPDs include:
 - Trade and Investment
 - ICT
 - Customs
 - Agriculture
 - Life Sciences
 - Defense
 - Energy
 - Finance

Depth of US-ASEAN BC engagement

Dialogues

- Finance Ministers Annually
Capital Markets Development Working Committee
- Agriculture and Forestry Ministers Annually
Agriculture Senior Officials
- Economic Ministers Annually
- Customs Directors General Annually

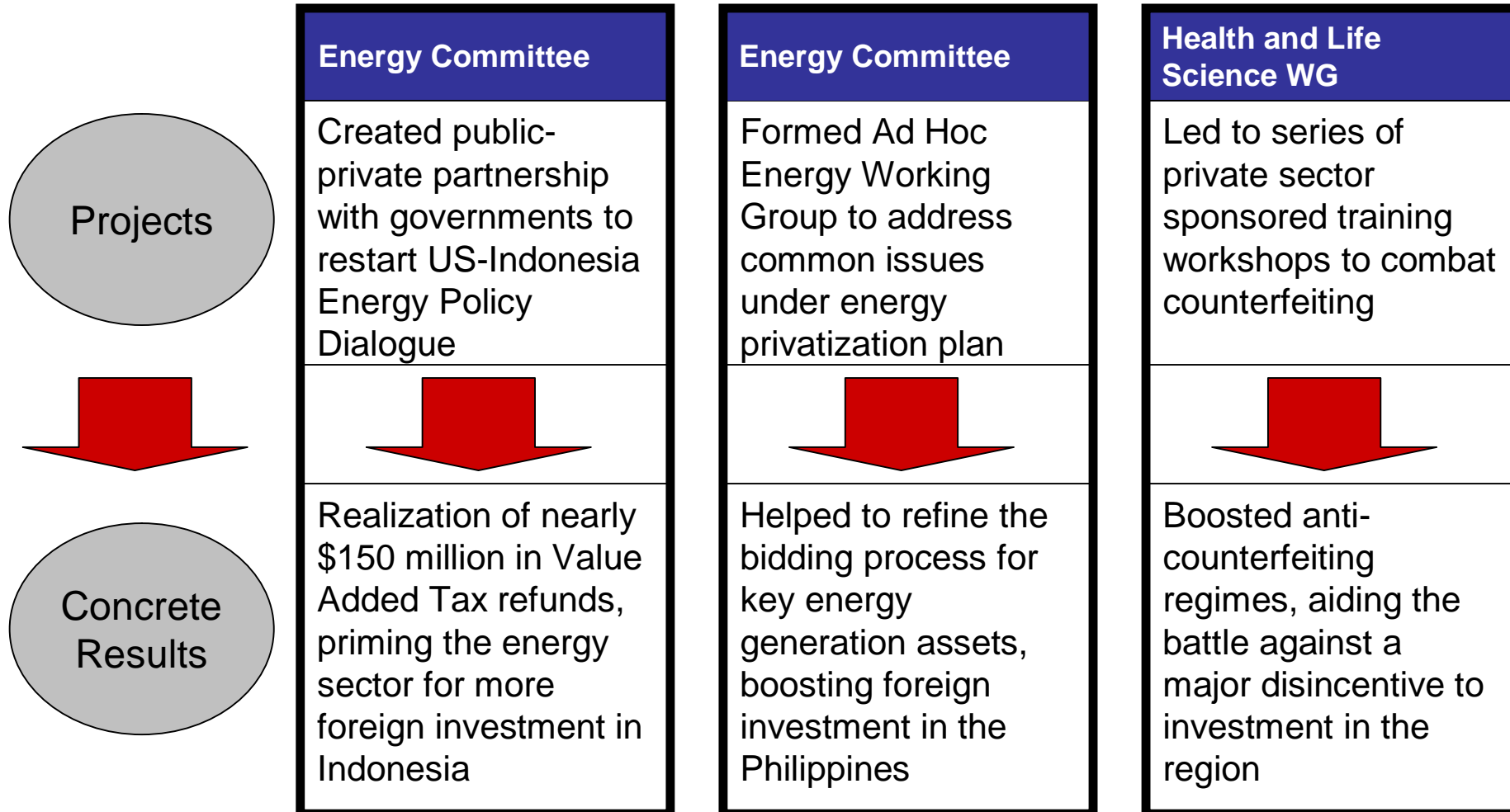
Conferences

- “ASEAN Talks Business”
- ASEAN Services Forum

High Level Engagement

- Council regularly hosts visiting heads of state, Ministers and senior officials, continuously promoting dialogue on current issue and stimulating exchanges of ideas through white papers
- Council and its members host US Ambassadors to ASEAN on an annual tour of corporate HQs and a policy dialogue to broaden outreach to USG.
- Provide high level input into FTA negotiations

US ASEAN BC: Case studies in PPD



National Center for APEC

Overview:

- The National Center for APEC is the official link between US business and APEC, providing direct input into the APEC process and coordinating US business participation in APEC activities designed to achieve specific, targeted results.
- Its staff is augmented by officers seconded from the State Department the Commerce Department. Representatives of NCAPEC, including corporate members, often serve on official US delegations to APEC meetings. NCAPEC serves as the secretariat for the US members to the APEC Business Advisory Council.

Specific examples of how NCAPEC brings US business together with the APEC community of the USG:

- Through the annual CEO forum hosted by the Secretary of State, where top US CEOs meet to discuss shared priorities in APEC
- Through the annual Executive roundtable with the USG to plan for the upcoming year, usually inviting that year's host of APEC and other senior officials
- Through organizing regular dialogue with business representatives responsible for government relations with a focus on APEC goals

Examples of PPDs in APEC

Officials and industry representatives meet to discuss opportunities for cooperation in official APEC PPDs:

- **Life Sciences Innovation Forum**

LSIF is a tripartite mechanism that involves government, academia, and industry and provides each a “seat at the table” to discuss policies to enhance the update of innovation in the region

- **Chemicals Dialogue**

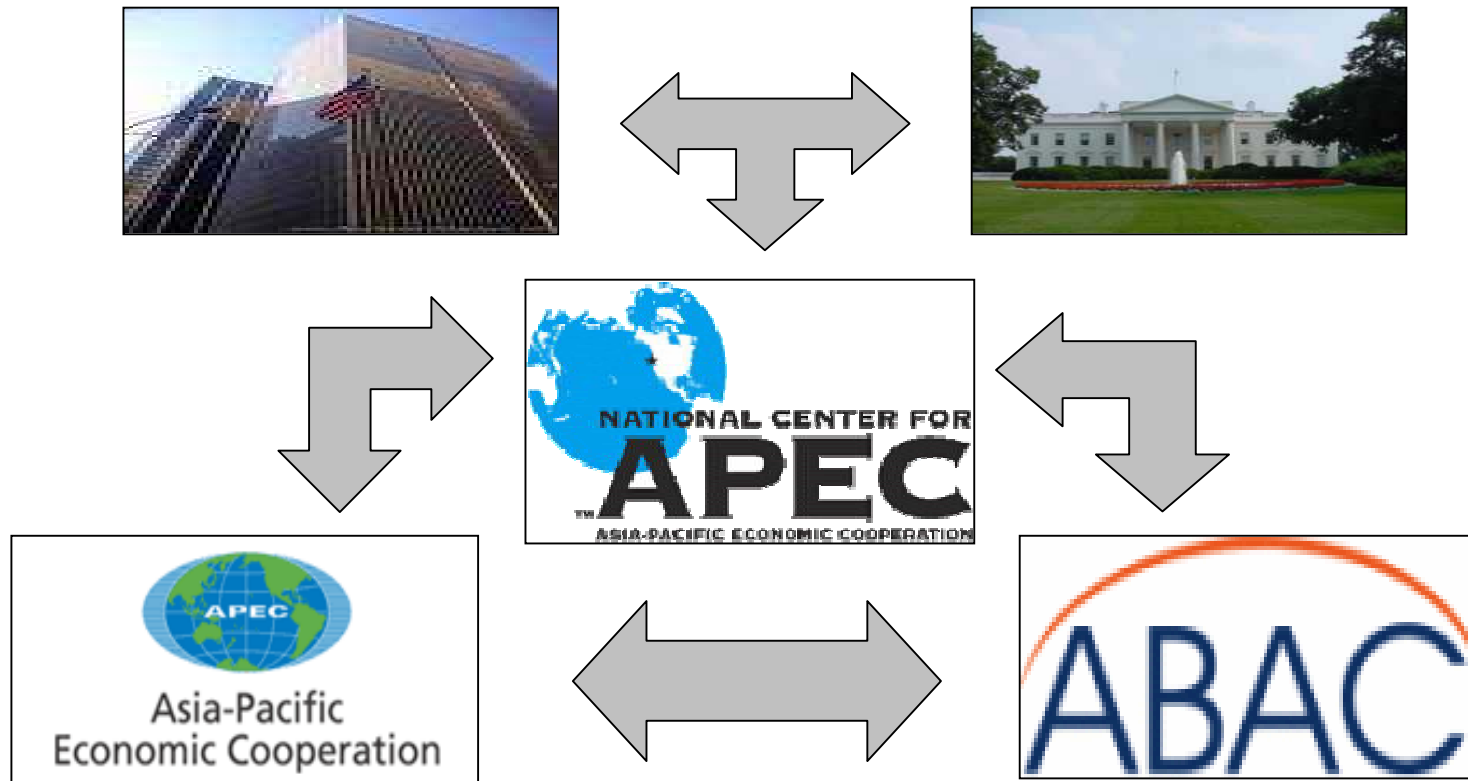
Issues discussed include chemical sector liberalization, facilitation, capacity building, and regulatory and policy best practices.

- **Autos Dialogue**

Issues discussed include the harmonization of regulations and road safety, rules of origin, other aspects of trade facilitation.



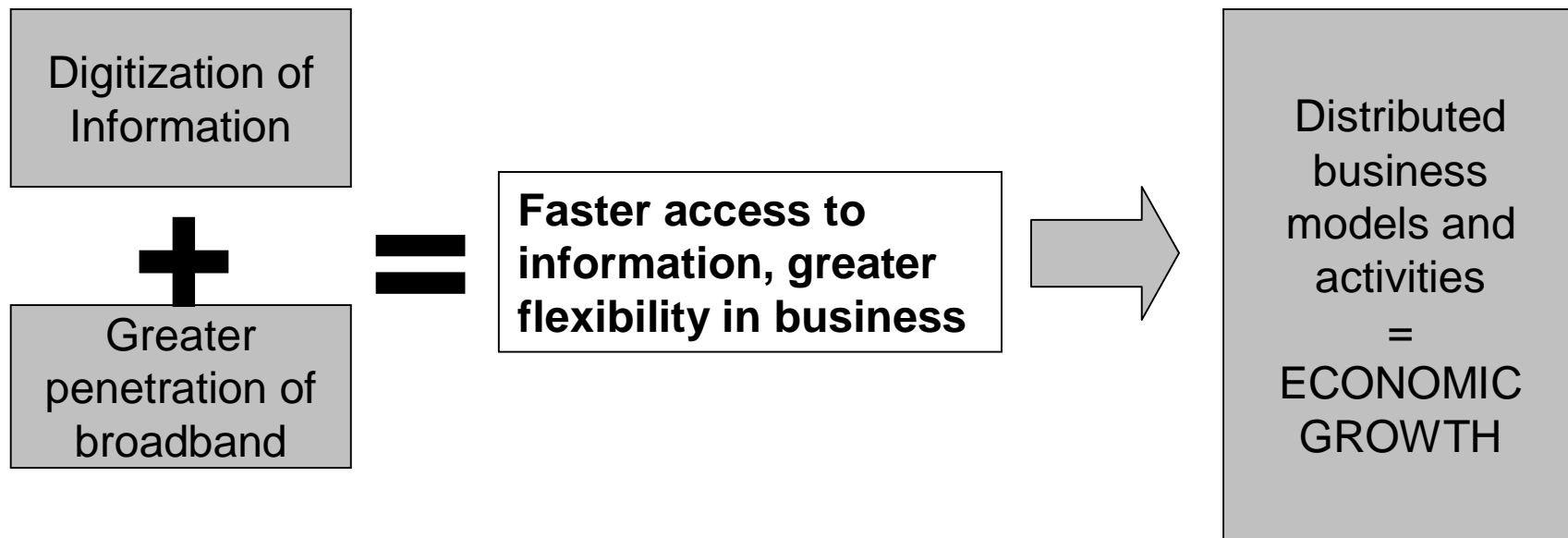
National Center for APEC



This type of relationship facilitates coordination between government business, and needs to be fostered in all countries in order to boost PPD.

Convergence, Growth and PPD

Policy and regulation must keep pace with changes in business, technology and society.

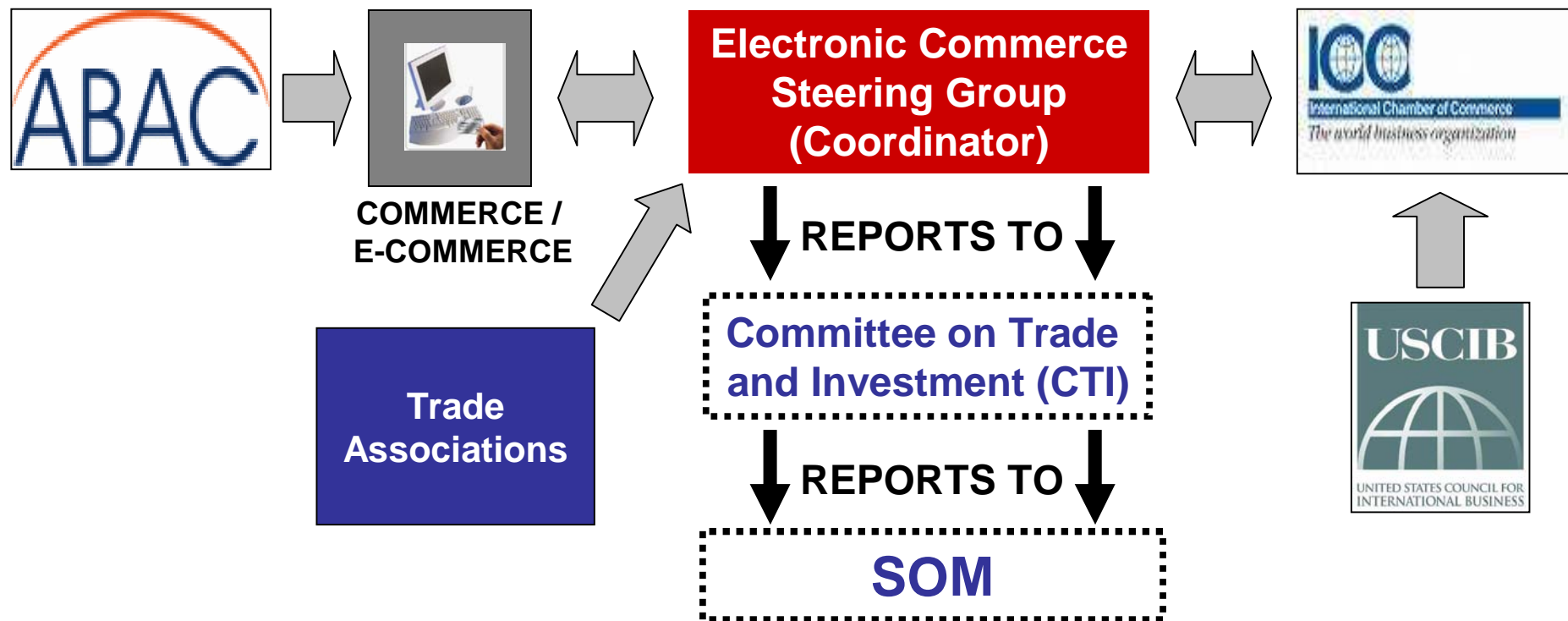


Organizations like NC APEC and US ASEAN BC have a critical role to play in connecting the public and private sectors and allowing the above process to take place smoothly.

NC APEC approach to PPD: A case study

The ICT-enabled growth initiative:

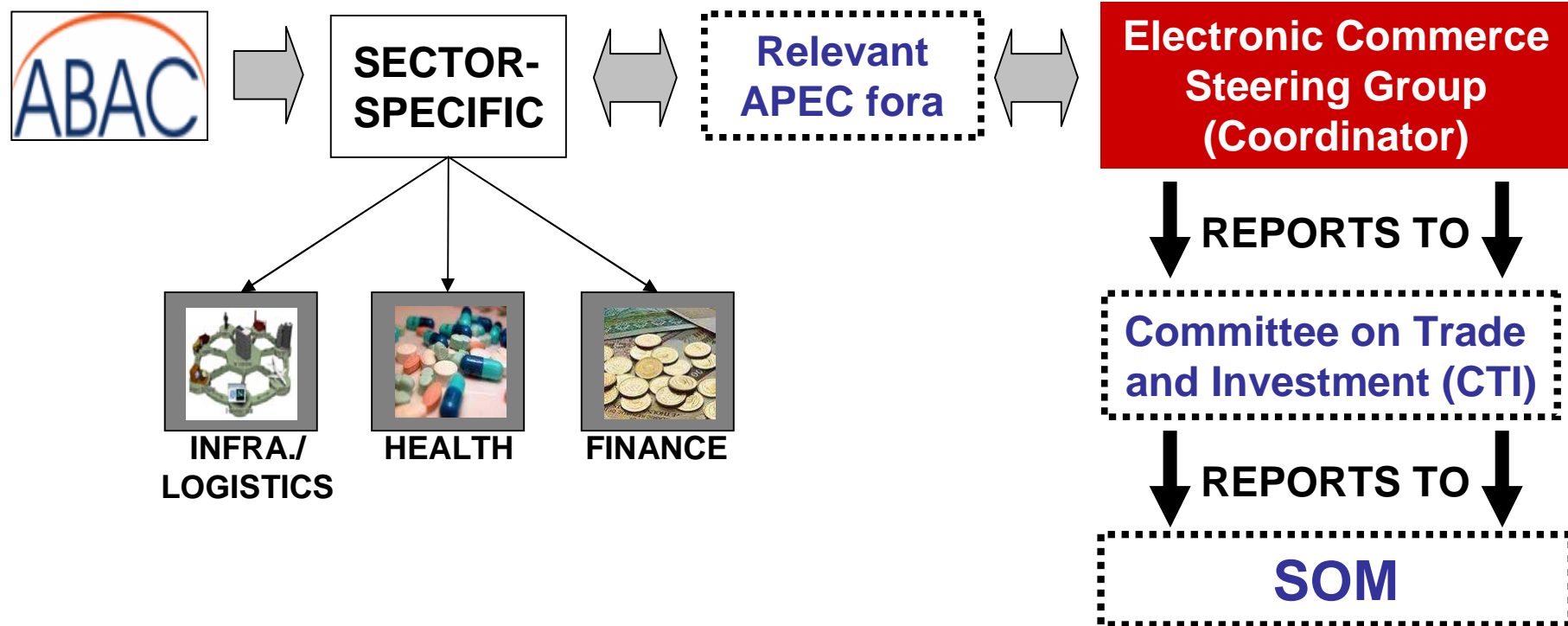
STEP ONE: BUILD A MODEL FOR DIALOGUE (2007)



A case study in PPD

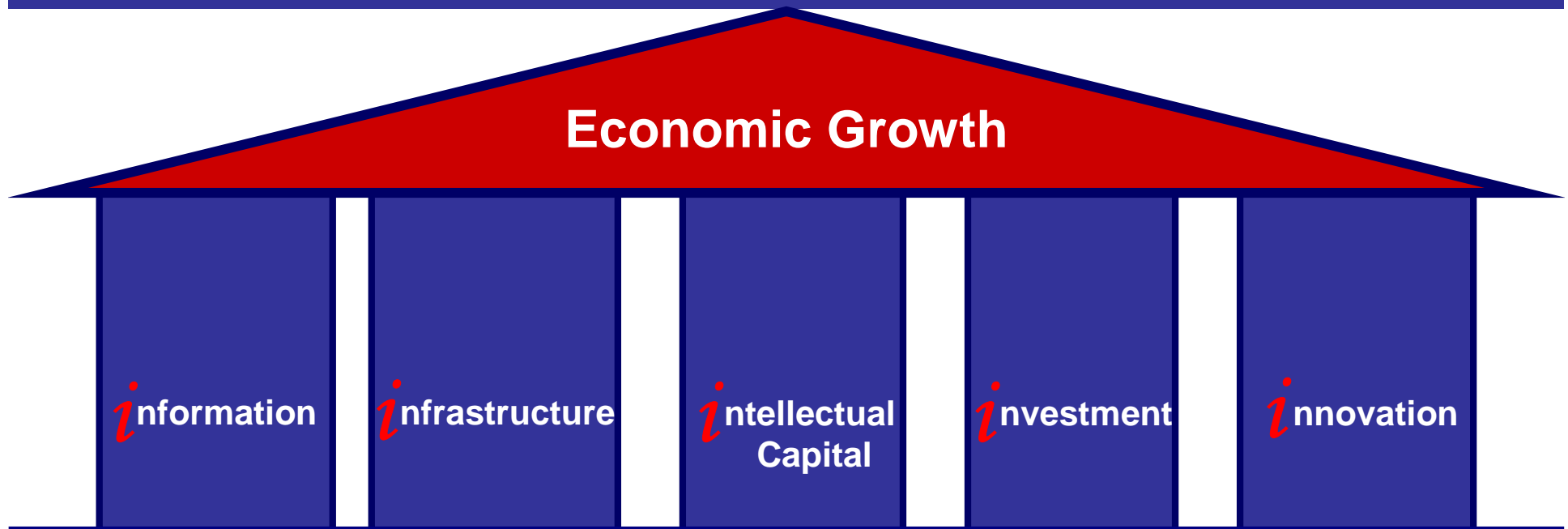
The ICT-enabled growth initiative:

STEP TWO: EXPORT THE MODEL ACROSS SECTORS (2008)



Harnessing the power of the 5 “i”s

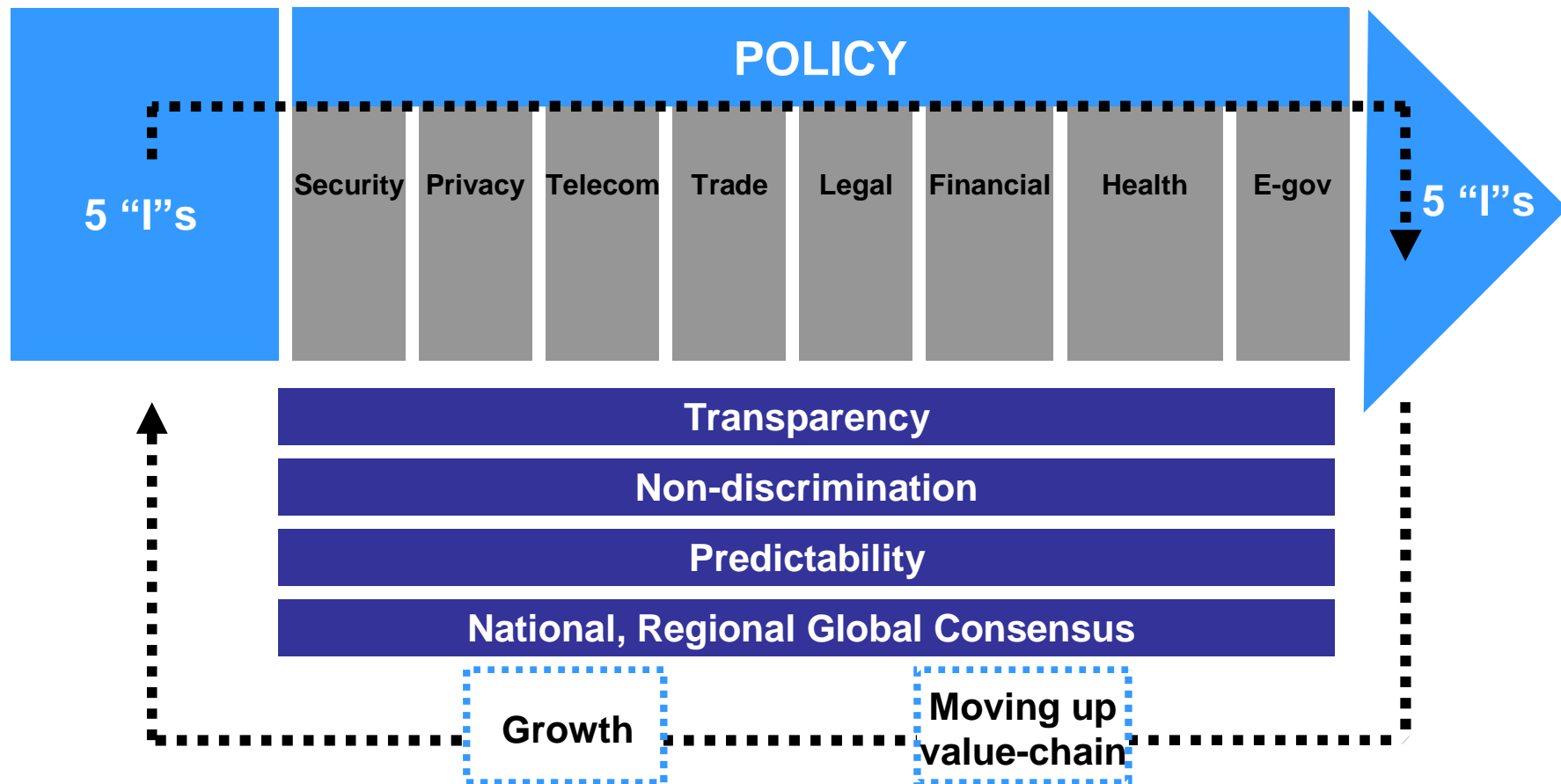
The five keys to sustainable economic growth—**INVESTMENT** is what drives the entire equation



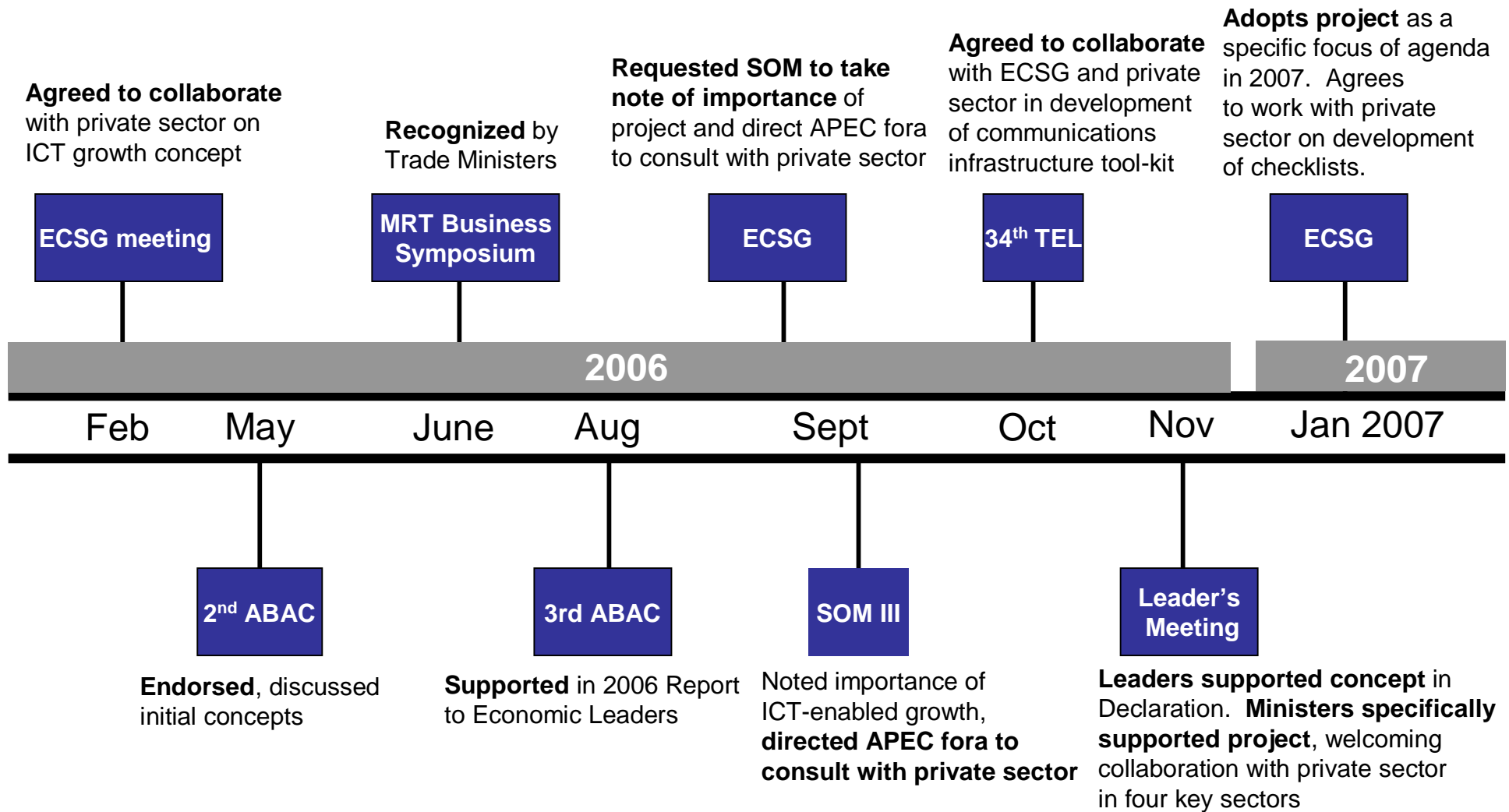
ICTs enable access to the 5 “i”s,
and ultimately, economic growth

The flexible policy approach

Carefully created, flexible policy attract and facilitates access to the 5 “i”s



Support across APEC fora



Conclusion

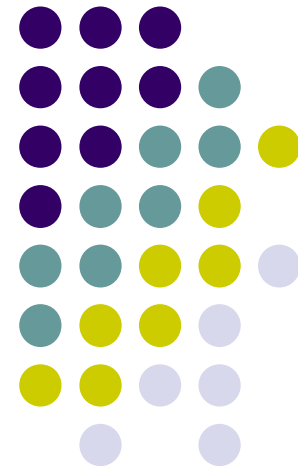
- Public-Private Dialogue's are an important tool for promoting structural reform and improving the business environment
- The reality is that both sides have a lot to gain from trade and investment facilitation—it makes sense to work together
- In the US system, the government consults extensively with business, through sector advisory committees, as well as informally. These models provide useful lessons
- Experience shows that successful PPDs operate off a pro-growth rather than issue-based agenda
- Achieving concrete results requires broad engagement with government as well as high level engagement with officials. PPDs should include this dual approach
- Key considerations for policy-makers
 - Trust—The need for stakeholder consultation and acceptance
 - Predictability—The need for certainty and replicable outcomes
 - Feasibility—The need for enforceable and credible solutions

APEC Seminar for Promoting Public-Private Sector Dialogue

Japan's Public-Private Sector Dialogue Experiences

Hidehiro Okayama
Tokyo Chamber of Commerce and Industry

June 24, 2007
Cairns Convention Centre
Cairns, Queensland, Australia



Japan's Public-Private Sector Dialogue Experiences



- APEC Region
 - Committee for Improvement of Business Environment under the Japan-Mexico EPA
 - Committee for Improvement of Business Environment under the Japan-Malaysia EPA
- Outside of APEC
 - Japan-India Investment Dialogue
 - Japan-Pakistan Joint Business-Government Dialogue



**Committee for the Improvement
of the Business Environment
under the Japan-Mexico EPA**

Japan-Mexico EPA



- October 2002: leaders of Mexico and Japan agree to initiate negotiations for the Economic Partnership Agreement.
- April 1, 2005: Japan-Mexico Economic Partnership Agreement enters into force.
- Articles 136 and 137 of the Agreement stipulate the establishment of the Committee for Improvement of the Business Environment.
- The purpose of the Committee is to create a more favorable business environment with a view to promoting private-sector trade and investment activities.

Progress of the Committee



- 1st Meeting (Mexico City, April 21, 2005)
 - The Committee submitted recommendations for both government, including those relating to issues such as public safety, IPR, debt collection, transportation infrastructure, immigration procedures, quarantine for agricultural products, energy costs, and labor environment.
- 2nd Meeting (Mexico City, May 15, 2006)
 - The Committee reviewed implementation of recommendations made at the last meeting and developed new recommendations, including those relating to new issues such as support for SMEs and fostering of supporting industries.

Progress of the Committee



- 3rd Meeting (Mexico City, May 4, 2007)
 - Participants at the Committee discussed issues such as public safety, IPR protection, transportation infrastructure, quarantine of agricultural products, support for SMEs, promotion of supporting industries, and measures to strengthen Mexican competitiveness.
 - New issues, including those relating to the tax system, customs procedures, tourism, and access to Japanese market for agricultural products and shoes, were raised by the private sector.
 - The private sector will consult with government experts to solve problems.

Participants of the 3rd Meeting



- Government of Mexico
 - Ministries responsible for various issues, including Economy, Foreign Affairs, Finance, Tourism, Transportation and Communications, and Public Safety, as well as the Institute of Industrial Property and the Institute of Social Security
- Mexican Business Community
 - Business Council for Foreign Trade Investment and Technology (COMCE)
 - Business Trade Council (COECE)
 - National Farming Council (CNA)



Participants in the 3rd Meeting

- Government of Japan
 - Ministry of Foreign Affairs
 - Ministry of Economy, Trade and Industry
 - Japan International Cooperation Agency (JICA)
 - Japan External Trade Organization (JETRO)
 - Japan Bank for International Cooperation (JBIC)
- Japanese Business Community
 - Japanese Chamber of Commerce and Industry of Mexico
 - Japanese Maquiladora Association
 - Nippon Keidanren

Issues of the 3rd Meeting



- Public security
- IPR protection - strengthening enforcement
- Standards - alignment of domestic and international standards
- Customs procedures - provide a consultation service
- Taxation - improve transparency and abolish abrupt rate changes
- Tourism
 - Increase the number of Japanese-speaking tour guides
 - Install more signs in Japanese
- Infrastructure
 - Improve port facilities in order to expand trade
 - Increase the number of lanes at the U.S.-Mexico border in order to expedite crossing of cargo trucks
- Promote investment by SMEs - introduce tax incentives
- Access to Japanese market for agricultural products and shoes



Japan-India Investment Dialogue



Progress of the Dialogue

- Objective
 - To promote investment between Japan and India
- Progress of the Dialogue
 - 1st Meeting: August 1999 (Delhi)
 - 2nd Meeting: December 2000 (Tokyo)
 - 3rd Meeting: January 2003 (Delhi)
 - 4th Meeting: April 2005 (Tokyo)

Participants in the Dialogue



- Japanese Government
 - Ministry of Economy, Trade and Industry
 - Head of Delegation: Vice Minister of METI
- Indian Government
 - Ministry of Commerce and Industry
 - Head of Delegation: Secretary of Dept. of Industrial Policy and Promotion
- Japanese Business Community
 - Japan-India Business Cooperation Committee (Japan Chamber of Commerce and Industry)
 - Japan Chamber of Commerce and Industry in India
- Indian Business Community
 - Federation of Indian Chambers of Commerce & Industry
 - Confederation of Indian Industry



Structure of the Dialogue

- Plenary session
- Working Groups
 - IT
 - Infrastructure
 - Processed food
- Collaboration with other schemes
 - JICA
 - JETRO
 - JBIC



Issues Discussed

- Tax system
- Revision of taxation treaty
- New automobile policy – performance requirements
- Infrastructure development
- Restrictions concerning foreign currency repatriation
- Licensing procedures
- Exit policy
- Visa and work permits
- Labor law and worker protection
- Sectoral cooperation programs



Japan-Pakistan Joint Business- Government Dialogue

Progress of Dialogue



- In August 2000, economic leaders of the two countries agreed to establish the Dialogue, which was aimed at improving the investment environment in Pakistan.
- 1st Meeting: September 2001 (Islamabad)
 - Participants at the Dialogue discussed issues concerning investment environment in Pakistan, including stability of the administrative system, ways of ensuring transparency, tax system stability, and improvement of public safety.
 - Participants at the Dialogue submitted recommendations concerning improvement of infrastructure, textile industry reform, etc.

Progress of Dialogue



- 2nd Meeting: March 2005 (Islamabad)
 - Japan-Pakistan Joint Business Dialogue submitted the Roadmap consisting of 15 areas of recommendations for improving the investment environment in Pakistan, and the Roadmap was endorsed.
- 3rd Meeting: January 2007 (Islamabad)
 - Participants at the Dialogue reviewed implementation of the Roadmap and recognized improvements in several areas.
 - JICA submitted a study report titled “Toward a Vision 2030: Direction of Industrial Development in Pakistan” intended to facilitate well-directed economic development.

Roadmap



- Revising the convention for avoiding double taxation
- Enlarging the ceiling of trade and investment insurance
- Controlling under-invoicing, under-estimated declaration, and smuggling
- Developing industrial infrastructure in Pakistan via Japanese ODA
- Providing a consistent long-term policy for uplifting the automotive industry
- Provide and facilitating human resource development assistance
- Establishing and implementing industrial standards for quality control
- Improving visa issuance facilities
- Improving quality of raw cotton
- Protecting IPRs
- Deregulating price controls in the pharmaceutical industry
- Establishing standing committee to follow up on the roadmap

Participants in the Dialogue



- Government of Pakistan
 - Minister of Commerce (Minister)
 - Board of Investment
 - Ministry of Food
- Business Community of Pakistan
 - Pakistan-Japan Business Forum
- Government of Japan
 - Ministry of Economy, Trade and Industry (Parliamentary Secretary)
 - JETRO
 - JICA
 - JBIC
- Business Community of Japan
 - Japan-Pakistan Business Cooperation Committee (JCCI)

Collaboration with Other Schemes



- Japan-Pakistan Joint Business Dialogue develops recommendations for the Japan-Pakistan Joint Business-Government Dialogue
- HRD programs carried out by JETRO, JICA, and the Association for Overseas Technical Scholarship (AOTS)
 - 129 experts were dispatched to Pakistan in 2005
 - 274 trainee were received by Japan in 2005
- Financial support schemes carried out by the World Bank, the Asian Development Bank, and the Japan Bank for International Cooperation

APEC Seminar for Promoting Public-Private Sector Dialogue
Talking Points for Session 2

1. Structure and participants of dialogue

- 1-1. Objective of dialogue
- 1-2. Sharing mission of dialogue among participants and high-level commitment
- 1-3. Participants of dialogue – public sector
- 1-4. Participants of dialogue – the private sector

2. Policy issues to be discussed by dialogue

- 2-1. How to identify issues
- 2-2. Development of concrete action plans
- 2-3. Setting time frame or target date of action plans
- 2-4. Challenge level of action plans
- 2-5. Specification of responsible government agencies of action plans
- 2-6. Means of implementation of action plans

3. Monitoring or assessment mechanism of dialogue

- 3-1. Monitoring or assessment of policy measures
- 3-2. Utilization of result of monitoring or assessment

4. Interaction with other schemes

- 4-1. Importance of capacity building
- 4-2. Capacity building and speed of implementation
- 4-3. Interaction with other schemes

5. Implications to policy framework

- 5-1. Implications to policy reform
- 5-2. Effectiveness of public-private sector dialogue in terms of investment promotion



Asia-Pacific
Economic Cooperation

APEC Symposium on Investment Liberalization and Facilitation (CTI22/2007T)

Tokyo, Japan

May 29, 2007

Japan's APEC delegation hosted a symposium on investment liberalization and facilitation in Tokyo during the second ABAC meeting on May 29, 2007. Entitled "APEC Symposium on Investment Liberalization and Facilitation," the symposium is part of the expanded work program on investment and facilitation being done in collaboration with ABAC and is endorsed by the APEC Leaders' 2006 Hanoi Declaration. The symposium program included the Survey on Investment Liberalization and Facilitation. The symposium highlighted some of the specific problems that affect the investment environment and sought solutions to deal with those problems within APEC.

SUMMARY CONCLUSIONS

The symposium concluded that investment liberalization and facilitation are both priority issues when it comes to economic growth in the Asia-Pacific region. In order to solve the problems that pertain to those two priority issues, it will be necessary to promote the development of rules and regulations, to facilitate business, and to narrow economic gaps. Throughout the symposium discussion, three common views emerged:

- Improving the investment environment will promote foreign direct investment, which leads to the economic growth of the recipient economies.
- There are a number of issues that hinder foreign direct investment, but facilitation issues, including behind-the-border issues, are more crucial for investors than liberalization issues.

- APEC should not only take those measures necessary for the development of institutions, including developing guidelines and RTA/FTAs Model Measures that support the creation of investment treaties; it should also promote investment facilitation, including building mechanisms of public-private dialogue, and it should strive to narrow economic gaps through specific efforts such as capacity-building customized for each APEC member based on its economic progress.

DETAILED DISCUSSION

The meeting opened with remarks from Kozo Yamamoto, Japan's Deputy Minister of Economy, Trade and Industry. Mr. Yamamoto said that those APEC members that have welcomed a great deal of foreign investment have succeeded in developing their economies, and that fact clearly demonstrates that foreign investment bolsters the strength of the recipient domestic economies. He emphasized that every economy can attract more foreign investment by providing a better investment environment, and that ongoing economic growth will result.

The first session consisted of presentations by three invited researchers, followed by a panel discussion. Dr. Shujiro Urata, Professor at Waseda University in Japan, identified 10 priority issues pertaining to investment in the Asia-Pacific region that emerged from the survey done by the Japan Machinery Center for Trade and Investment. Professor Urata emphasized the fact that four of the top five priority issues are facilitation issues.

Dr. Andrew Stoeckel, Executive Director of the Centre for International Economics (CIE) in Australia, quoted the Survey on Enhancing Investment Liberalization and Facilitation in Economic Development in the Asia-Pacific Region, which was conducted by Australia. He claimed that behind-the-border issues are barriers and impediments to investment and economic growth in APEC economies; included among the behind-the-border issues that Dr. Stoeckel listed were inefficient tax systems and regulations, corruption, underdeveloped infrastructure, the insufficient protection of IPRs, insufficient predictability and credibility in policies, and inadequate competition.

Mr. Alan Moody, the Senior Investment Policy Officer at the International Finance Corporation (IFC), World Bank Group, Australia, said that "Ease of Doing Business" project contributed to the improvement of the business environment and thus lead to economic development in APEC economies.

After the three presentations, a panel discussion was moderated by Mr. Roy Nixon, APEC/IEG (Investment Experts' Group) Chair, Australia, and was attended by: Mr. Rupert Holborow, APEC SOM for NZ; Dr. Virachai Plasai, APEC SOM for Thailand; Mr. Yoshio Ishizaka, ABAC member from Japan; Mr. Thomas Clark, Vice President, Government Relations, GE Money Asia; and Dr. Shujiro Urata, Professor at Waseda University. In that session, the following were the main topics of discussion engaged in by the panelists and participants:

- All policymakers among APEC member economies should understand that foreign direct investment promotes the recipient economy and they should develop measures to achieve a win-win outcome. In particular, APEC must address facilitation issues, including behind-the-border ones.
- Since each member economy has its own specific investment problems, one common measure will not work for every member economy. Therefore, each of the member economies should customize individual domestic policy measures and support other economies based on analytical research using a benchmarking approach.
- To promote foreign direct investment in the Asia-Pacific region, member economies should recognize that useful options are intended to establish close ties between the public and private sectors, and they should strive to introduce the Public Private Partnership scheme and encourage positive reporting by the media.

The second session was highlighted by Mr. Nobuhiko Sasaki, Japan's Deputy Director-General of the Ministry of Economy, Trade and Industry (METI) and APEC SOM for Japan, who made a presentation entitled "Policy Recommendations for Investment Liberalization and Facilitation." He outlined the direction that must be taken if the problems that were pointed out in the first session are to be solved. In particular, he stressed the importance of three directions: (1) developing and utilizing new guidelines, including making use of the RTA/FTAs Model Measures on Investment and the OECD Policy Framework for Investment, (2) promoting investment facilitation, including building an efficient mechanism for public-private dialogue and introducing monitoring and evaluation functions by ABAC, and (3) narrowing economic gaps through implementing capacity-building customized for each APEC member based on its economic progress. Finally, he proposed a possible roadmap of investment initiatives as we move toward 2010.

After the presentation, a panel discussion was moderated by Mr. Mark Johnson, ABAC Chair, Australia, and was attended by: Ambassador Michael Michalak, APEC SOM for the United States; Mr. Kotaro Tanaka, Director for Economic Partnership, METI of Japan; Mr. John A. Prasetio, ABAC member from Indonesia; Mr. Teng Theng Dar, ABAC member from Singapore; and Dr. Fukunari Kimura, Professor at Keio University in Japan. The following were the main points of discussion by the panelists and participants:

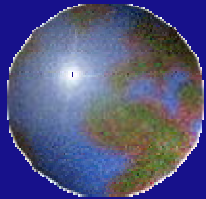
- APEC should recognize the importance of solving facilitation issues rather than liberalization ones, because the former have a more serious impact on business operations than do the latter.
- Investment facilitation will be achieved not only by a high-standard investment treaty but also through public-private dialogue between APEC and ABAC.

- Given how difficult it is to reform existing domestic systems for liberalization, continuous capacity-building is essential for stable and long-term progress, in particular relieving the concerns that developing economies have about the damage they perceive is caused by foreign direct investment.
- For the most part, the idea of a possible investment treaty in APEC is welcomed by the participants, although there are some concerns in the developing economies.

Finally, Mr. Masashi Mizukami, APEC SOM for Japan, made the symposium's closing remarks.

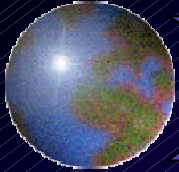
*APEC Seminar for Promoting Public-Private Sector Dialogue
Cairns, Australia
24 June 2007*

Survey on Investment Liberalization and Facilitation



*“Obstacles to FDI in the APEC
Economies:
Problems in Investment Liberalization and
Facilitation Measures”*

Shujiro Urata
Waseda University, Japan

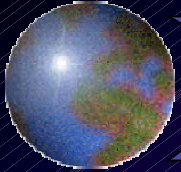


1. Introduction

Recent developments in foreign direct investment (FDI) and FDI environment

- FDI has become active in the world and particularly in APEC economies
- FDI liberalization has proceeded
- However, there still remain impediments to FDI in the areas of FDI liberalization and facilitation
- Important to recognize the problems to be solved/improved, in order to promote FDI , because

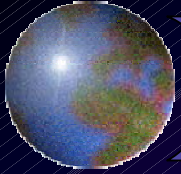
FDI inflows would promote economic growth by expanding fixed investment, generating employment, increasing trade, transferring technology and management know-how, and etc



1. Introduction (continued)

Purpose of the study

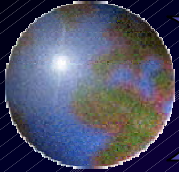
- To identify the specific problems for investment liberalization and facilitation
- To propose policies and policy guidelines to improve investment climate for the APEC economies
- To develop technical cooperation programs under the APEC framework



1. Introduction (continued)

Approach

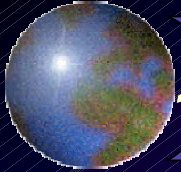
- Identify the problems in FDI liberalization and facilitation by using the results of the survey on multinational corporations
- Compare our results with the results of the studies conducted by the international organizations and think tanks



1. Introduction (continued)

Data

- JMC (Japan Machinery Center for Trade and Investment) Survey
 - ◆ JBCTIF (the Japan Business Council for Trade and Investment Facilitation)
- Period: July to September 2005
- Respondents: Members of 50+ (out of 150+) Industry Associations
- Japan (USA): Supplemented by the information obtained from different sources including the investment reports prepared by the EU, the US (Japan), and others



1. Introduction (continued)

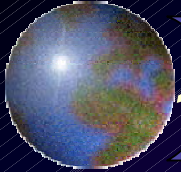
Definitions

- *Investment liberalization*

- Eliminating/reducing restrictions on FDI and related activities
- Measures: discriminatory to foreign investment
- Mainly in chapters on investment in FTAs, investment treaties, and chapters in investment laws

- *Investment facilitation*

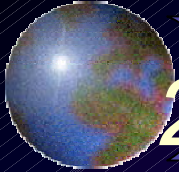
- Enhancing transparency and promoting simplification, harmonization of investment related rules, and capacity-building in institutions concerning investment
- Measures: non-discriminatory to foreign and domestic investment
- Mainly NOT in chapters on investment in FTAs, investment treaties, and chapters in investment laws



1. *Introduction (continued)*

Content of the presentation

1. Introduction
2. Analysis of investment climate
3. Discussion from the legal perspective
4. Findings from our study
5. Policy suggestions
6. Questions for panel discussion in Session
2



2. Analysis of investment climate

- 10 major categories to classify the types of FDI impediments (Tab. 3.1)
- The number of incidents for each impediment reported by respondents to the JMC Survey (Tab.3.2)
- Some caveats in the interpretation of the data
 - # of incidents, not the degree of seriousness of impediments
 - Possibility of multiple categories => most relevant one is recorded
 - # of incidents tend to be correlated with the number of FDI cases
 - Manufacturing sector-bias



2. Analysis of investment climate (continued)

10 major categories of FDI impediments

- ◆ ***Investment liberalization***
 - i. Restrictions on foreign entry
 - ii. Performance requirements
 - iii. Restrictions on overseas remittances and controls on foreign currency transactions
 - iv. Restrictions on the movement of people and employment requirements



2. Analysis of investment climate

(continued)

10 major categories of FDI impediments

◆ *Investment facilitation*

- v. Lack of transparency in policies and regulations concerning investment (institutional problems)
- vi. Complicated and/or delayed procedures with respect to investment-related regulations (implementation problems)
- vii. Insufficient protection of intellectual property rights
- viii. Labor regulations and related practices excessively favorable to workers
- ix. Underdeveloped infrastructure, shortages of human resources, and insufficient investment incentives
- x. Restricted competition and price controls

Table 3.2 Investment climate in the APEC economies: the number of incidents by category and economy

	Australia	Brunei Darussalam	Canada	Chile	People's Republic of China	Hong Kong, China	Indonesia	Japan (Government level)	Korea	Malaysia	Mexico	New Zealand	Papua New Guinea	Peru	Philippines	Russia	Singapore	Chinese Taipei	Thailand	United States of America	USA (Government level)	Viet Nam	Total	Share by category (%)
i) Restrictions on foreign entry	2	0	1	0	8	0	5	3	4	4	3	1	0	0	6	2	1	1	6	3	7	5	55	7.6
ii) Performance requirements	1	0	1	0	6	0	2	0	0	5	0	0	0	0	2	1	0	1	1	2	2	5	27	3.7
iii) Restrictions on overseas remittances and controls on foreign currency transactions	0	0	1	0	5	0	1	0	2	4	0	0	0	0	1	2	0	3	3	0	0	4	26	3.6
iv) Restrictions on the movement of people and employment requirements	1	0	4	0	6	1	2	2	1	4	0	0	0	0	2	4	2	3	6	3	5	2	43	6.0
v) Lack of transparency in policies and regulations concerning investment (institutional problems)	15	1	8	5	25	5	14	12	8	10	10	3	0	7	10	10	1	10	14	6	18	6	180	25.0
vi) Complicated and/or delayed procedures with respect to investment-related regulations (implementation)	7	0	7	1	27	3	21	4	6	14	10	2	0	2	12	13	0	4	24	20	13	14	191	26.5
vii) Insufficient protection of intellectual property rights	0	0	0	1	5	5	4	2	6	3	1	0	0	0	1	2	0	3	2	6	9	2	43	6.0
viii) Labor regulations and related practices excessively favorable to workers	2	0	1	0	1	1	3	0	10	5	4	1	0	2	6	2	3	0	3	5	0	2	51	7.1
ix) Underdeveloped infrastructure, shortages of human resources, and insufficient investment incentives	7	0	2	3	7	0	8	4	0	4	13	3	0	1	8	7	2	1	9	2	0	8	89	12.3
x) Restricted competition and price controls	1	0	0	0	1	1	2	3	0	0	1	1	0	0	0	0	0	0	1	3	6	2	16	2.2
Total	36	1	25	10	91	16	62	30	37	53	42	11	0	12	48	43	9	26	69	50	60	50	721	100.0
Share by economy (%)	5.0	0.1	3.5	1.4	12.6	2.2	8.6	4.2	5.1	7.4	5.8	1.5	0.0	1.7	6.7	6.0	1.2	3.6	9.6	6.9	-	6.9	100.0	

Data source: Authors' calculation, based on JMC survey.

Note: The number of incidents for Japan and USA (government level) are calculated, based on various reports at the government level. See the text for details of these sources.



2. Analysis of investment climate (continued)

Major findings

1. Serious impediments concerning FDI facilitation
2. Necessity of further FDI liberalization, particularly for low income economies



2. *Analysis of investment climate* (continued)

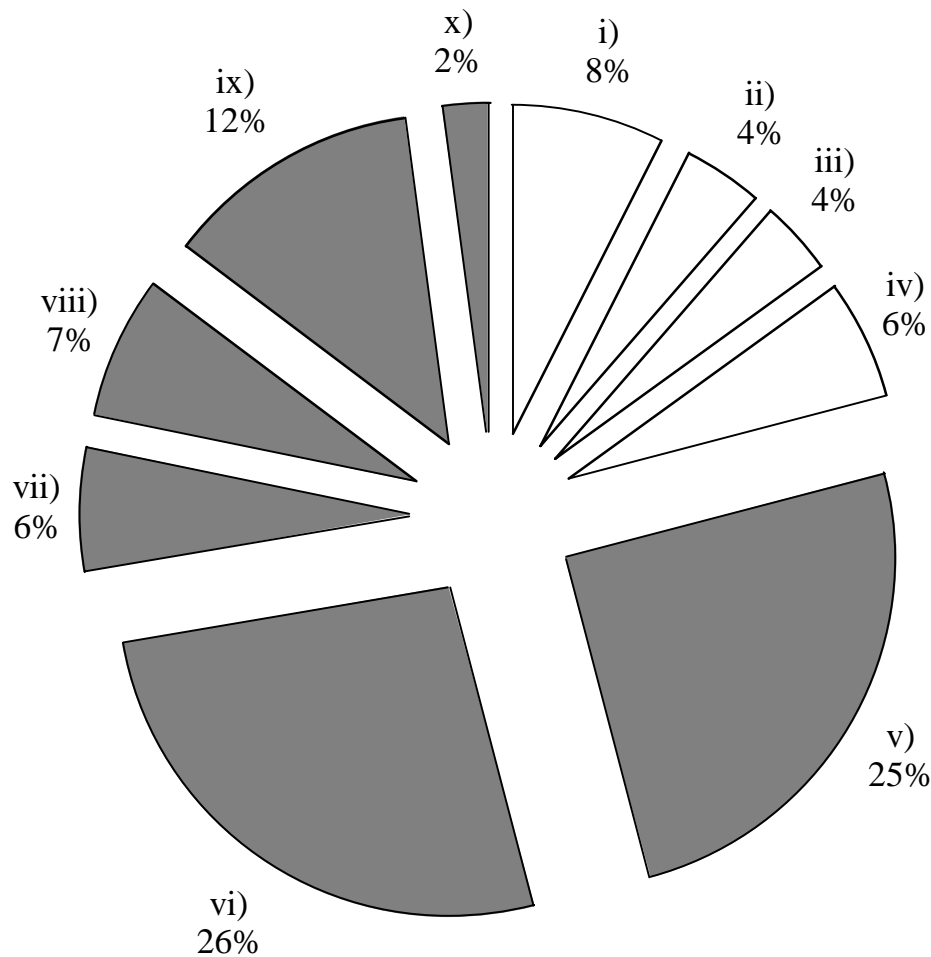
Major findings (continued)

3. Among 10 categories of impediments, priority areas for improvement:
- vi) Lack of transparency in policies and regulations concerning investment (institutional problems)
 - v) Complicated and/or delayed procedures with respect to investment-related regulations (implementation problems)
 - ix) Underdeveloped infrastructure, shortages of human resources, and insufficient investment incentives
 - i) Restrictions on foreign entry
 - viii) Labor regulations and related practices excessively favorable to workers



Major findings (1): importance of FDI facilitation

Figure 3.1 Decomposition of issues into 10 categories



-
- i) Restrictions on foreign entry
 - ii) Performance requirements
 - iii) Restrictions on overseas remittance and controls on foreign currency transactions
 - iv) Restrictions on the movement of people and employment requirements
-
- v) Institutional problems
 - vi) Implementation problems
 - vii) Insufficient protection of IPRs
 - viii) Labor regulations
 - ix) Underdeveloped infrastructure, shortages of human resources, etc
 - x) Restricted competition and price controls
-

Data source: Table 3.2.



2. *Analysis of investment climate*

(continued)

Major findings: different impediments between high and low income economies

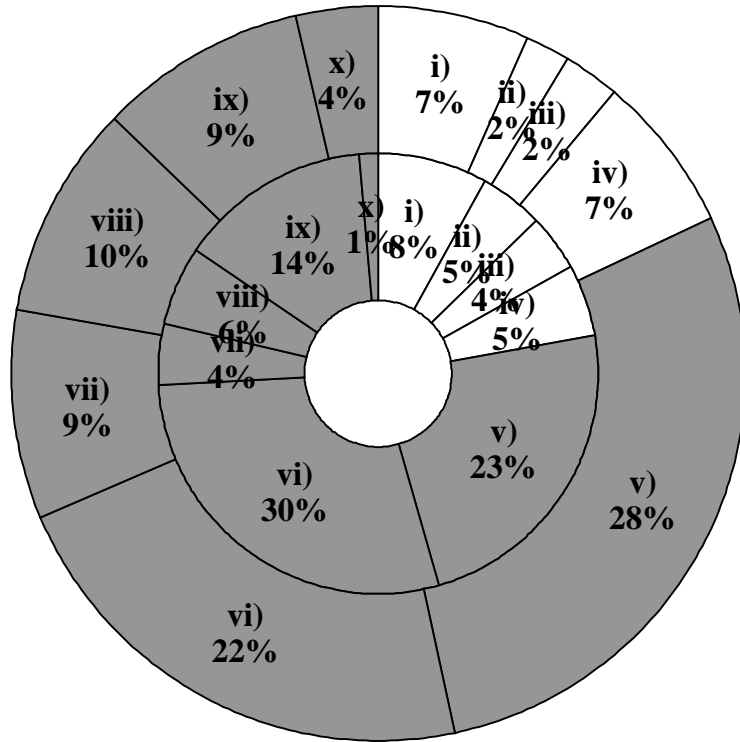
- FDI liberalization: Impediments are more serious in low income economies
- FDI facilitation:
 - Low income economies: 1. vii) implementation problem, 2. vi) institutional problem, 3. ix) underdeveloped infrastructure
 - High income economies: 1.v) institutional problem, 2. vi) implementation problem, 3. viii) labor regulations



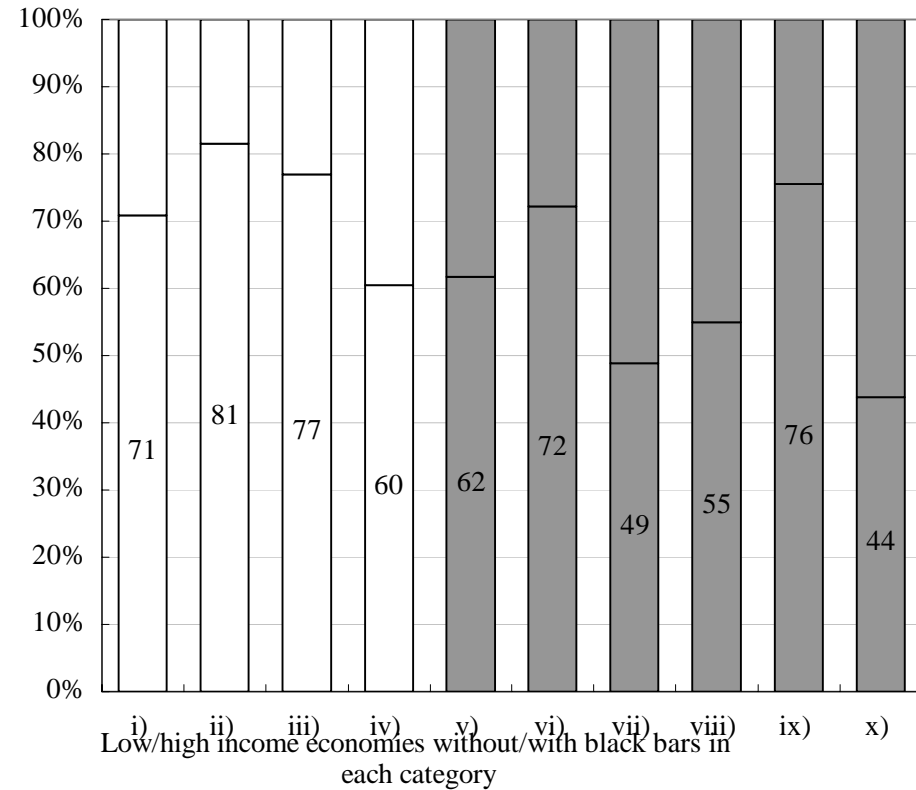
Major findings (2): differences bet. two income groups

Figure 3.2 Decomposition of the problems and low and high income economies

(a) Decomposition of the problems into 10 categories: low/high income econ (b) Decomposition of the problems into low/high income economies: 10 categories



Inside/outside: low/high income economies



Low/high income economies without/with black bars in each category

Data source: authors' calculation, based on Table 3.2.

Note: low/high income economies are 11/10 APEC economies with GDP per capita of less than US\$10,000 in 2005 (see Table 3.3 for GDP per capita).



2. Analysis of investment climate

(continued)

Specific problems in

◆ **Category vi)** Complicated and/or delayed procedures with respect to investment-related regulations (implementation problems) (26%)

- Complexity, delay, difficulty, and inefficiency of various administrative procedures

e.g. customs clearance, visa application and its renewal, import tariff reimbursement/exemption, value-added tax exemption (including non-implementation), taxation, and withdrawal of business

- Arbitrary/inconsistent interpretation in implementing regulations

e.g. safety certification system, customs clearance, and tax collection

- Corruptions



2. Analysis of investment climate

(continued)

Specific problems in

◆ **Category v) Lack of transparency concerning policies and regulations on investment (institutional problems) (25%)**

- Underdevelopment, lack of transparency, ambiguity, sudden changes, frequent changes, and uncertainty of various legal regulations and institutions

e.g. taxation-related (including double taxation due to lack of investment treaty), safety and environmental standards and conformity-related, and transfer pricing-related



2. Analysis of investment climate (continued)

Specific problems in

- ◆ **Category ix)** Underdeveloped infrastructure, shortages of human resources, and insufficient investment incentives (12%)

e.g. difficulty in hiring and securing human resources (management staff and engineers), high turnover ratios, underdevelopment of industrial infrastructure (electric power, paved road, ports, and industry waste disposal), rapid increase in utility rates, insufficient investment incentives, underdeveloped financial market

- ◆ **Category i)** Restrictions on foreign entry (8%)

e.g. prohibition and restrictions on foreign entry, restrictions on foreign ownership ratios, joint venture requirements, restrictions on foreign ownership of land



2. Analysis of investment climate (continued)

Specific problems in

◆ **Category viii) Labor regulations and related practices excessively favorable to workers (7%)**

e.g. difficulty of firing workers and wage-related issues (a rapid rise in wage levels, a dramatic increase in minimum wage levels), and labor regulations and related practices excessively favorable to workers

◆ **Category iv) Restrictions on the movement of people and employment requirement (6%)**

e.g. nationality requirement of directors, restrictions on hiring foreigners including requirements of hiring (specific types of) local people, and difficulty and tightened issuance conditions in obtaining and/or renewing visa



2. Analysis of investment climate

(continued)

Specific problems in

- ◆ **Category vii)** insufficient protection of IPRs (6%)

e.g. widespread counterfeit goods and pirated copy, no ratification of IPRs treaty, and infringement of trademarks rights and patents

- ◆ **Category ii)** performance requirements (4%)

e.g. local contents requirements, export requirements linked with investment incentives, and performance requirements according to the degree of investment, export, and production



2. Analysis of investment climate (continued)

Specific problems in

- ◆ **Category iii)** restrictions on overseas remittances and controls on foreign currency transactions (4%)
e.g. restrictions on remittance abroad, difficulty in getting an access to local currency financing, and restrictions on the use of foreign currencies
- ◆ **Category x)** restricted competition and price controls (2%)
e.g. insufficient enforcement, extraterritorial application, and non-disclosed cases of anti-trust laws and oligopolistic market structure



2. *Analysis of investment climate* (continued)

Comparison with other studies

- JMC2000
 - Assessment of FDI liberalization only
 - High # of incidents: performance requirement, restriction on foreign entry, work permit
- Ease of doing business
- Global competitiveness index
- IMD world competitiveness index
- Study by Australia (degree of FDI barriers)



2. *Analysis of investment climate*

(continued)

Comparison with other studies (continued)

=>Major findings from other studies

1. Reducing complexity and time required for institutional procedures, flexibility of labor market, improving taxation regulations, and developing infrastructure are particularly important
2. Substantial improvement of business environment is required for low income economies
3. Consistent with our analysis: high correlation in country ranking (excl. IMD WCI) (Tab.3.4)

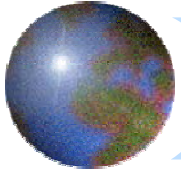


Table 3.4 Rank correlation matrix for 5 surveys

	Doing Business	GCI	IMD	JMC2000	JMC2005
Doing Business	1.000				
GCI	0.797 ***	1.000			
IMD	0.750 ***	0.865 ***	1.000		
JMC2000	0.716 ***	0.578 **	0.510 **	1.000	
JMC2005	0.601 ***	0.552 *	0.419 **	0.880 ***	1.000

Note: "***", "**", and "*" express statistical significance at 1%, 5%, and 10% level, respectively. Speaman method is used for 17 countries in all cases above. JMC2005 is our analysis.

	Doing Business	GCI	IMD	JMC2000	JMC2005
Study by Australia	0.591 **	0.473 *	0.380	0.692 ***	0.631 **

Note: See notes above. Speaman method is used for 14 countries. The ranking in study by Australia is for the degree of FDI barriers.



Table 2.1 Ranking of ease of doing business for APEC economies, 2005

	Australia	Canada	Chile	People's Republic of China Hong Kong, China	Indonesia	Japan	Korea	Malaysia	Mexico	New Zealand	Papua New Guinea	Peru	Philippines	Russia	Singapore	Chinese Taipei	Thailand	United States of America	Viet Nam	
Overall ranking (out of 175)	9	4	24	108	6	131	12	23	25	62	1	53	78	121	97	2	43	19	3	98
Ranking for 10 factors																				
Starting a business	2	1	28	141	5	161	87	105	66	93	4	67	118	99	38	11	86	23	3	89
Dealing with licenses	24	32	45	151	62	129	3	26	134	28	2	101	116	112	164	10	146	6	18	28
Employing workers	11	12	59	77	15	141	28	108	37	110	8	18	159	118	88	4	155	46	1	137
Registering property	32	25	28	21	57	118	35	65	68	73	1	62	29	91	40	12	22	16	10	30
Getting credit	3	7	33	117	2	76	13	19	3	59	3	96	59	96	160	7	41	41	7	76
Protecting investors	43	5	18	114	3	58	12	58	3	133	1	33	18	151	58	2	58	33	5	170
Paying taxes	35	21	38	169	5	129	89	50	49	128	12	87	133	96	111	8	77	54	55	116
Trading across borders	23	8	40	35	15	55	20	26	41	77	12	49	87	61	137	2	43	97	10	68
Enforcing contracts	8	15	70	59	10	144	6	18	78	82	16	85	106	50	25	23	60	43	4	90
Closing a business	14	4	93	69	13	126	1	12	47	21	20	94	70	143	80	2	5	36	16	105

Data source: Doing business database, available from <http://www.doingbusiness.org/>.

Note: Average ranking is calculated for a comparison among 10 factors

See also Table A.2.1 for components of each of 10 factors and their evaluation.

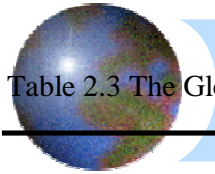


Table 2.3 The Global Competitiveness Index (GCI) for APEC economies (excerpt)

	Australia	Canada	Chile	People's Republic of China	Hong Kong, China	Indonesia	Japan	Korea	Malaysia	Mexico	New Zealand	Peru	Philippines	Russia	Singapore	Chinese Taipei	Thailand	United States of America	Viet Nam
<i>Ranking (out of 125 economies)</i>																			
GCI 2006-2007	19	16	27	54	11	50	7	24	26	58	23	74	71	62	5	13	35	6	77
Basic requirements	11	13	28	44	4	68	19	22	24	53	16	76	84	66	2	21	38	27	71
Institutions	11	21	25	80	10	52	22	47	18	69	8	96	88	114	4	32	40	27	74
Infrastructure	18	13	35	60	3	89	7	21	23	64	27	91	88	61	6	16	38	12	83
Macroeconomy	23	32	7	6	9	57	91	13	31	54	25	49	62	33	8	27	28	69	53
Health and primary education	21	2	57	55	35	72	1	18	42	31	6	48	82	77	20	25	84	40	56
Efficiency enhancers	10	15	31	71	11	50	16	25	26	59	21	67	63	60	3	14	43	1	83
Higher education and training	14	17	40	77	25	53	15	21	32	71	22	72	63	43	10	7	42	5	90
Market efficiency	11	7	24	56	1	27	10	43	9	48	15	66	57	60	4	22	31	2	73
Technological readiness	7	17	35	75	13	72	19	18	28	56	23	69	61	74	2	14	48	8	85
Innovation factors	24	16	33	57	18	41	1	20	22	52	25	68	66	71	15	9	36	4	81
Business sophistication	28	18	30	65	13	42	2	22	20	52	26	47	59	77	23	15	40	8	86
Innovation	24	13	39	46	22	37	1	15	21	58	25	92	79	59	9	8	33	2	75

Data source: GCR 2006-2007.

Note: Average ranking is calculated for a comparison among components.

See also Table A.2.2 for more detailed components and disadvantages of each economy.

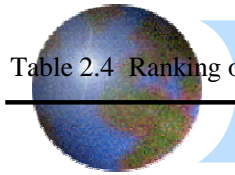


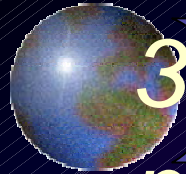
Table 2.4 Ranking of world competitiveness for APEC economies: IMD

	Australia	Canada	Chile	People's Republic of China	Hong Kong, China	Indonesia	Japan	Korea	Malaysia	Mexico	New Zealand	Philippines	Singapore	Chinese Taipei	Thailand	United States of America	Russia
Overall ranking	6	7	24	19	2	60	17	38	23	53	22	49	3	18	32	1	54
Economic performance	14	13	16	3	5	61	15	41	11	24	30	52	4	27	21	1	59
Domestic economy (size, growth, wealth, forecasts)	18	16	27	2	5	52	4	30	43	44	53	59	13	26	55	1	23
International trade	54	25	41	6	3	59	27	40	4	44	56	53	1	32	15	11	17
International investment (investment, finance)	9	20	10	27	5	61	12	42	32	43	54	58	13	49	47	1	33
Employment (investment and finance)	8	21	38	1	20	45	18	13	26	9	4	49	3	23	6	7	39
Prices	16	7	2	12	52	59	56	57	1	14	18	13	10	33	9	19	61
Government efficiency	6	9	13	17	1	51	31	47	20	50	12	48	2	24	21	14	44
Public finance	22	19	3	1	5	45	30	25	39	16	11	58	12	27	21	41	2
Fiscal policy	17	27	32	10	43	7	30	16	13	24	29	15	3	9	4	19	23
Institutional framework (central bank, state efficiency)	6	15	19	24	1	55	16	46	13	51	27	54	2	35	25	11	50
Business legislation (openness, competition and regulations, and labor regulations)	7	11	8	43	5	59	29	51	31	55	9	49	2	34	33	12	57
Societal framework	4	8	38	30	3	55	49	60	41	58	7	28	22	42	39	14	51
Business efficiency	8	9	18	30	1	57	23	45	20	54	21	48	7	14	28	4	53
Productivity and efficiency	28	19	30	29	1	61	31	42	39	59	49	46	27	17	48	5	51
Labor market (costs, relations, and availability of skills)	12	16	9	5	2	32	31	43	4	51	26	15	3	10	6	21	49
Finance (bank efficiency, stock market efficiency, and finance management)	15	10	32	51	2	59	21	37	33	57	29	55	19	16	41	1	53
Management practices	6	13	8	37	2	57	31	48	22	51	16	40	9	19	26	15	60
Attitudes and values	5	7	9	24	2	52	25	40	17	50	14	39	4	8	20	16	55
Infrastructure	19	12	43	37	16	61	2	24	31	59	25	48	5	20	48	1	51
Basic infrastructure	5	9	32	20	3	53	17	29	35	55	23	61	1	24	38	2	48
Technological infrastructure	20	8	52	33	2	61	10	6	21	60	30	37	3	4	48	1	58
Scientific infrastructure	23	18	48	17	32	47	2	12	38	61	28	58	16	5	53	1	56
Health&environment	18	16	37	51	23	61	11	32	39	56	20	53	15	38	48	22	52
Education	12	6	50	51	24	61	23	42	30	55	18	57	13	19	48	11	47

Data source: IMD2006.

Note: Average ranking is calculated for a comparison among components.

	Inventory approach	Quantitative approach
Focused on foreign investment	<p>Survey on investment liberalization and facilitation (by Japan)</p>	<p>Survey on enhancing investment liberalization and facilitation in economic development in Asia-Pacific region (by Australia)</p>
Focused on domestic investment	<p>Surveys for private sector development (e.g. Canada, NZ, and World Bank)</p>	



3. *Discussions from the legal*

perspective

For FDI liberalization

- ◆ Simple solution: eliminate or phase out restrictions through revision of the relevant laws
- ◆ Related normative principles
 - Ensure MFN and national treatment in FDI establishment and operation
 - Abolish WTO TRIMs-inconsistent performance requirements (local content requirements, trade balancing requirements, foreign exchange restrictions, and domestic sales requirements)
 - Ensure investors free and prompt transfers of investment-related funds in freely convertible currencies at market exchange rate
 - Review restrictions and controls on the temporary entry and sojourn of key foreign technical and managerial personnel



3. *Discussions from the legal perspective* (continued)

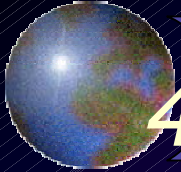
For FDI facilitation

- ◆ Not simple solution; build up practical APEC-wide schemes for technical cooperation and information exchange
 - Institution- and capacity-building in the public sector
 - Policy dialogue and regulatory harmonization within the region
- ◆ Attempts to be made
 - Continue and further elaborate the existing APEC endeavors
 - Close coordination with the OECD Policy Framework for Investment
 - Accelerate the conclusion of bilateral or regional agreements (RTAs/FTAs and BITs)



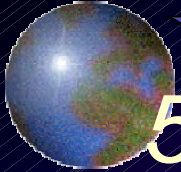
3. Discussion from the legal perspectives (continued)

10 major categories for FDI liberalization and facilitation	Corresponding chapters on investment in FTAs and investment treaties
i. Restrictions on foreign entry	investment, trade in services
ii. Performance requirements	investment
iii. Restrictions on overseas remittances and controls on foreign currency transactions	investment, trade in services, finance
iv. Restrictions on the movement of people and employment requirements	investment, movement of business persons
v. Lack of transparency in policies and regulations concerning investment (institutional problems)	general provisions, trade in goods, trade facilitation, taxation, standards and conformity assessment procedures, environment
vi. Complicated and/or delayed procedures with respect to investment-related regulations (implementation problems)	general provisions, trade in goods
vii. Insufficient protection of intellectual property rights	intellectual property
viii. Labor regulations and related practices excessively favorable to workers	improvement of business environment
ix. Underdeveloped infrastructure, shortages of human resources, and insufficient investment incentives	investment, co-operation
x. Restricted competition and price controls	competition policy, anti-trust agreement



4. Findings from our study

1. Importance of FDI facilitation
2. Necessity of further FDI liberalization, particularly for low income economies, besides FDI facilitation
3. Among 10 categories, areas to be improved with the highest priority:
 - vi) Lack of transparency in policies and regulations concerning investment (institutional problems)
 - v) Complicated and/or delayed procedures with respect to investment-related regulations (implementation problems)
 - ix) Underdeveloped infrastructure, shortages of human resources, and insufficient investment incentives
 - i) Restrictions on foreign entry
 - viii) Labor regulations and related practices excessively favorable to workers

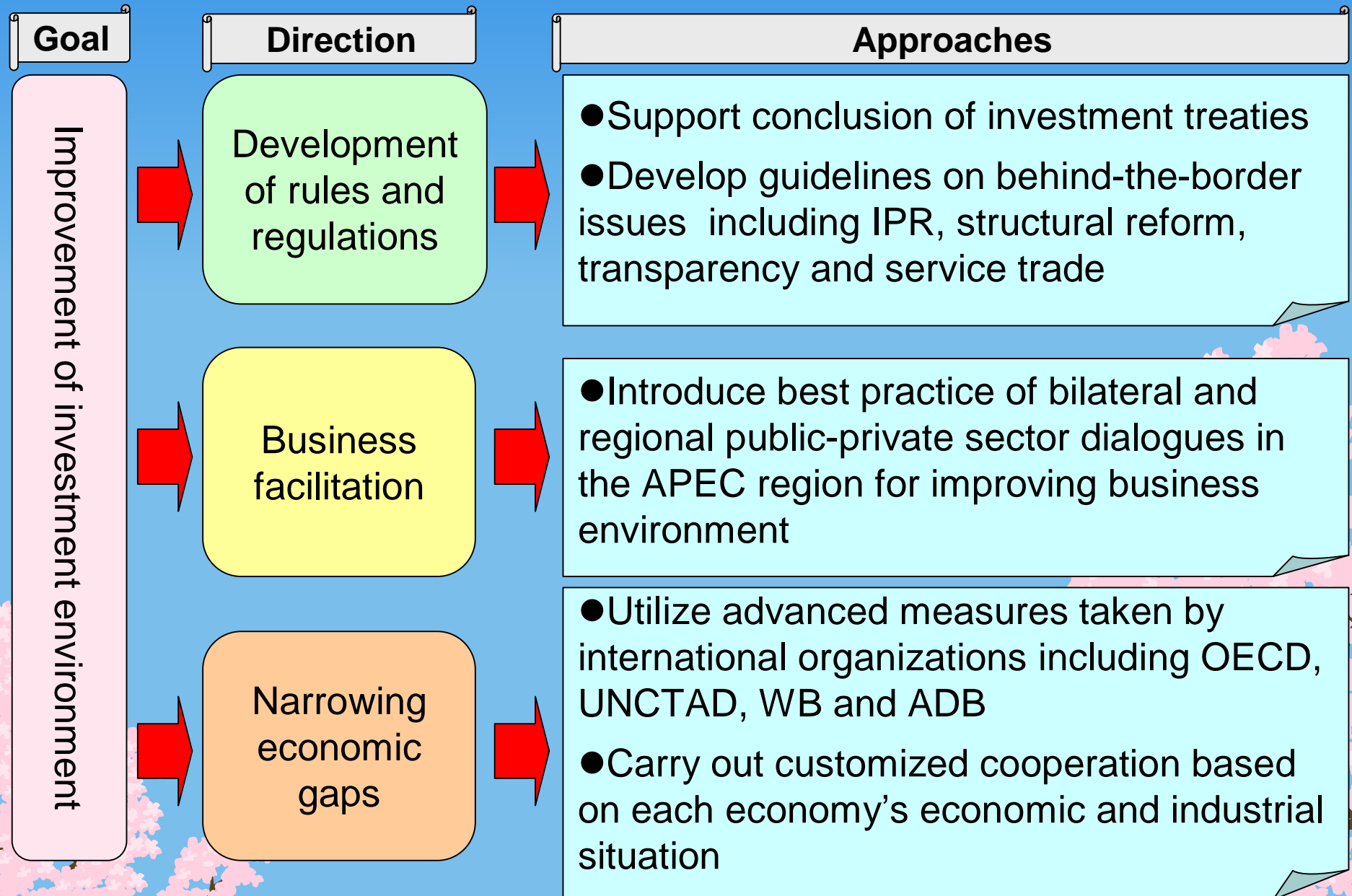


5. *Policy suggestions*

- Conduct a periodic (annual) APEC survey to collect information on FDI impediments from FDI firms, possibly by building on JMC Survey, in order to assess FDI environment of APEC economies
- Make concerted efforts to deal with high priority issues in FDI liberalization and facilitation within the APEC framework
- Use various frameworks including BITs, FTA/RTA to deal with the FDI impediments
- Capacity building is particularly important to deal with FDI facilitation
- Cooperation between public and private sectors is essential in identifying the FDI impediments and removing them

Recommendation for Investment Liberalization and Facilitation

-Three Pillars of Improving Investment Climate-



APEC Seminar for Promoting Public –Private Sector Dialogue

Session 3: Panel Discussion

Roy Nixon

What we know – quick recap

- ❑ Crucial role of investment in growth/poverty reduction
 - ❑ Significant barriers to FDI remain esp in services
 - ❑ Investment growth post-AFC remains sluggish in many lower income APEC economies
 - ❑ Domestic investment nearly 90% of all investment so not just FDI issue
 - ❑ Problem is not low domestic savings – otherwise there would not be large CADs in lower income economies
 - ❑ Various studies highlight biggest problems are behind-the-border – need different approach
-

What can we do?

- Find out more about barriers to investment esp their economic impact at macro and micro levels:
 - Encourage/assist interested economies to undertake taxonomy of barriers
 - Provide guidance to developing member economies on how to reform:
 - Provide/share information and experience on approaches to investment reform including policy review institutions
 - Use of different diagnostic tools and approaches - WB, OECD, UNCTAD
 - Encourage creation of “reform partnerships” with domestic ownership:
 - Best practice public-private dialogues
 - Role of IFIs, aid agencies in capacity building
-

Participant List: APEC Seminar for Promoting Public Private Sector Dialogue

No.	Economy	Group	Name				Position	Organization
1	Australia	Speaker - Session 1 Discussant-Session 2	Dr.	Brent		Davis	Director, Trade and International Affairs	Australian Chamber of Commerce
2	Australia	Moderator - Session 2 & 3	Prof.	Christopher		Findlay	Head of School	School of Economics, The University of Adelaide
3	Australia	Discussant - Session 2 & 3	Mr.	Roy		Nixon	Convenor, APEC IEG	The Treasury
4	Australia	Discussant - Session 3	Mr.	Kenneth		Waller	ABAC Australia Secretariat	ABAC
5	Australia	Participant 1	Mr.	Justin		Hook	Policy Officer	The Australian Treasury
6	Australia	Participant 2	Dr.	Paul		Kennelly	Australian Delegate to IEG	Treasury
7	Brunei	Participant 1	Mr.	Hakashah		Samad	APEC Desk	MFAT
8	Canada	Participant 1	Mr.	Charles	Alexander	Barrett	The Conference Board of Canada	Executive Advisor
9	Canada	Participant 2	Mr.	Michel		Belanger		Department of Foreign Affairs and Intl.
10	Chile	Participant 1	Mr.	Pablo		Bunster	Coordinator, APEC Department	Ministry of Foreign Affairs
11	Chile	Participant 2	Mr.	Raimundo		Gonzalez	Lawyer	General Directorate of Foreign Economic
12	China	Participant 1	Ms.	Wang		Jing	Director	Ministry of Commerce
13	China	Participant 2	Ms.	Zhao		Jie	Deputy Section Chief	Ministry of Commerce
14	China	Participant 3	Ms.	Xue		Bing	Principle Staff	Ministry of Finance
15	China	Participant 4	Mr.	Xie		Sheng	Section Chief	Dept. of International Economic and Trade Affairs
16	Indonesia	Speaker - Session 1 Discussant - Session 2	Dr.	Rizal Affandi		Lukman	Assistant to Deputy Minister for Bilateral Economic Cooperation	Coordinating Ministry for Economic Affairs
17	Indonesia	Participant 1	Mr.	R. Dwi Harwin		Kusmaryo	Head of Foreign investment Promotion Division	Coordinating Ministry for economic Affairs
18	Indonesia	Participant 2	Ms.	Junita		Sitorus	Acting Head of Administration	Ministry of Justice and Human Rights
19	Indonesia	Participant 3	Mr.	Randi		Anwar	Director for Regional Cooperation	The Investment Coordinating Board
20	Indonesia	Participant 4	Mr.	Samdono	Djoko	Purnomo	Deputy Director for APEC & ASEM Cooperation	The Investment Coordinating Board
21	Indonesia	Participant 5	Mr.	Suhodo			Head Section of Trade Liberalization	Ministry of Trade
22	Indonesia	Participant 6	Mr.	Noor	Fuad	Fitrianto		The Investment Coordinating Board
23	Indonesia	Participant 7	Mr.	Rizal		Effriandy	Head Section of APEC Cooperation	Ministry of Trade of Indonesia
24	Indonesia	Participant 8	Mr.	Kusnowibowo		Mazwar	Consul for Economic Affairs	Consulate General of the Republic of Indonesia
25	Japan	Speaker - Session 3	Prof.	Shujiro		Urata	Professor	Graduate School of Asia-Pacific Studies, Waseda University
26	Japan	Speaker - Session 1 Discussant - Session 2	Mr.	Hiroaki		Yashiro	Chairman	The Japan Business Association in Vietnam
27	Japan	Participant 1	Mr.	Takato		Ojimi	Vice President & Managing Director	Institute for International Studies and Training

No.	Economy	Group	Name				Position	Organization
28	Japan	Participant 2	Ms.	Etsu		Inaba	Director, Human Resource Development Department	Institute for International Studies and Training
29	Japan	Participant 3	Ms.	Shizuka		Ichimasa		Institute for International Studies and Training
30	Japan	Participant 4	Mr.	Hidenari		Inamoto	Researcher	Ministry of Foreign Affairs
31	Japan	Participant 5	Mr.	Shunji		Yoshida		Toyota Motor Corporation
32	Japan	Participant 6	Mr.	Eiji		Aoki	Director, Int'l Office for Infrastructure and Economic Affairs	Ministry of Land, Infrastructure and Transport
33	Japan	MC - Session 1 Moderator - Session 4	Mr.	Hidehiro		Okayama	Deputy General Manager, International Division	Tokyo Chamber of Commerce and Industry
34	Japan	Secretariat	Mr.	Susumu		Yoshida	Assistant Manager, International Division	Tokyo Chamber of Commerce and Industry
35	Japan	Secretariat	Ms.	Keiko		Sugawara	International Division	Tokyo Chamber of Commerce and Industry
36	Japan	Secretariat	Mr.	Kunihiko		Shinoda	Director, APEC Office, Trade Policy Bureau	Ministry of Economy, Trade and Industry
37	Japan	Secretariat	Mr.	Naoya		Abe	Assinstant Director, APEC Office, Trade Policy Bureau	Ministry of Economy, Trade and Industry
38	Malaysia	Participant 1	Ms.	Latifahaida	Abd.	Latif	Assistant Director	Ministry of International Trade and Industry
39	Malaysia	Participant 2	Ms.	Reta S.		Siluvaimuthu	Senior Assistant Director	Malaysian Industrial Development Authority
40	Mexico	Participant 1	Ms.	Mónica	Mirón	Medellín	Deputy Director for Bilateral Treaties and APEC	Ministry of Economy
41	Mexico	Participant 2	Ms.	Zaida	SARIÑANA	Schroeder	Head of Office for Treaties with Europe and International Organizations	Ministry of Economy
42	New Zealand	Participant 1	Prof.	Nigel	Anthony Fell	Haworth	Professor, Human Resource Development, Department of Management and Employment	APEC HRD Working Group (University of Auckland)
43	Papua New Guinea	Participant 1	Mr.	Nolpi		Kilwa	Principal Policy Analyst	Department commerce & Industry
44	Papua New Guinea	Participant 2	Ms.	Leonie	Rakanangu	Amua	Assistant Secretary	Ministry for Community Development
45	Papua New Guinea	Participant 3	Mr.	Lauari		Ikavape	Senior Economist	Ministry of Treasury
46	Papua New Guinea	Participant 4	Mr.	Clement		Kote	First Assistant Secretary	Department of Treasury
47	Papua New Guinea	Participant 5	Mr.	Ronald	George	Maru	Acting Director, Plicy Planning and Research Division	Department of Commerce and Industry

48	Papua New Guinea	Participant 6	Mr.	Alan		Aku	Director	Department of Agriculture and Livestock
No.	Economy	Group	Name			Position	Organization	
49	Papua New Guinea	Participant 7	Mr.	Elias		Wohengu	Director General, Economic and Development Cooperation Division	Department of Foreign Affairs and Trade
50	Peru	Discussant - Session 3	Mr.	Juan	Francisco	Raffo	ABAC Co-Chair	ABAC
51	Peru	Participant 1	Ms.	Alicia		Mac Lean		COMEXPERU (ABAC)
52	Peru	Participant 2	Mr.	José Luis		Cano Cáceres	Legal Advisor - Vice Ministry of Foreign Trade	Ministry of Foreign Trade and Tourism
53	Peru	Participant 3	Mr.	Edgar Alejandro		Caballero Aste	Official - Directorate-General of International Economics	Ministry of Economy
54	Peru	Participant 4	Mr.	Jaime		Arrospide	Counsellor, APEC Division	Ministry of Foreign Affairs of Peru
55	Philippines	Participant 1	Ms.	Amelia	Arevalo	Menardo		National Economic and Development
56	Philippines	Participant 2	Ms.	Marie Sherylyn	Delena	Aquia	Senior Trade and Industry Development Specialist	Department of Trade and Industry
57	Philippines	Participant 3	Ms.	Marilyn		Alarilla	Executive Director, Philippine APEC National Secretariat	Department of Foreign Affairs
58	Russia	Participant 1	Ms.	Natalia		Makarycheva		Association for Cooperation with Nations of Asia and Pacific Region
59	Russia	Participant 2	Mr.	Sergey		Kozlyakov	Director General	Association for Cooperation with Nations of Asia and Pacific Region
60	Singapore	Participant 1	Ms.	Judy Tan		Choo Tee	Senior Officer	Singapore Economic Development Board
61	Chinese Taipei	Participant 1	Ms.	Ho		Hsuan Yi	Editor	Investment Commission, Ministry of Economic Affairs
62	Chinese Taipei	Participant 2	Mr.	Yung		Ming Chiang	Section Chief, Department of Investment Services	Ministry of Economic Affairs
63	Thailand	Participant 1	Dr.	Twatchai		Yongkittikul	Secretary General	Thai Bankers' Association (ABAC)
64	Thailand	Participant 2	Dr.	Savaraj		Sachchamarga	Vice Chairman	Thai Chamber of Commerce, Board of Trade of Thailand (ABAC)
65	Thailand	Participant 3	Dr.	Bonggot		Anuroj	Senior Investment Promotion Officer	Thailand Board of Investment
66	Thailand	Participant 4	Ms.	Nattinee		Netraumpai	Senior Investment Promotion Officer	Thailand Board of Investment
67	USA	Speaker - Session 1 Discussant - Session 2	Mr.	Joseph		Alhadeff	Vice President, Global Public Policy	Oracle Corporation
68	USA	Participant 1	Ms.	Kate		Clemans	Director	CQM International
69	USA	Participant 2	Mrs.	Erin		Grossi	Manager, International Affairs	Underwriters Laboratories Inc
70	USA	Participant 3	Mr.	John		Shoaff	International Team Leader	U.S.EPA, Office of Pollution Prevention & Toxics
71	Vietnam	Participant 1	Mr.	Hoang Van		Phuong	Official - Multilateral Trade Policy Department	Ministry of Trade
72	Vietnam	Participant 2	Ms.	Nguyen Thanh		Diep	Official	Ministry of Planning and Investment

73	Vietnam	Participant 3	Mrs.	Tran	Thao	Hanh	Deputy Chief of Division of FIA	Foreign Investment Agency of Ministry of Planning and Investment
74	APEC Secretariat	Participant 1	Ms.	Hiroko		Taniguchi	Director (Program)	APEC Secretariat

Questionnaire Survey Results
APEC Seminar for Promoting Public-Private Sector Dialogue
Cairns, Australia, 24th June 2007

Number of respondents was 26 among 73 participants.

Question (a): How have you or your economy benefited from the project?

- I understood detailed information on public-private sector dialogue.(3)
- We can learn a lot from other economies' experiences.
- We got new information from the experiences of other economies that also can be applied in each economy.
- The project provides valuable lessons from successful cases where dialogues help improve investment environment as well as lessons why dialogues failed.
- This project is really important to find the solution on how to resolve the barriers in each economy.
- Better understanding of the concerns of foreign investors, especially Japan's.
- I learned about the significance of public-private sector dialogue, real experiences from other economies in implementing public-private sector dialogue, the way it works under APEC framework.

Question (b): What new skills, knowledge, or value have you gained?

- Improved understanding of how to drive reform processes.
- Necessity of dialogue between public and private sector in order to improve the investment climate.
- Classification of issues from investment activities. We are sharing mutual issues in APEC-ABAC dialogue.
- The least developed economies like us must work toward deepening relations between public and private sector.
- Professor Urata's survey outcome points out priority where dialogues should focus on.
- Importance of measurement and monitoring of dialogue.
- Experiences of public-private dialogue in other economies.(3)
- Impediments to foreign investment from the private sector's viewpoint.

Question (c): What, if any, changes do you plan to pursue in your home economy as a result of the project?

- We will consult with foreign investors in our economy.
- Stimulate public-private dialogue.
- We realized that "capacity building" is still the most important thing.

- Ensure that our public-private sector dialogue mechanisms follow the general best practices.
- Presentations of Dr. Davis and Professor Urata can be used as guidelines how to start a dialogue process.
- Further efforts to drive unilateral investment liberalization and collective investment facilitation.
- Valuable project within this seminar is to benchmark experiences, and also to conduct a domestic study on impediments to investment within our economy.
- We will discuss with the government authorities to improve public-private sector dialogue that has been pointed out from this seminar.
- Accelerate the improvement of investment climate, focusing on major impediments and exploring the advantage of public-private sector dialogue.

Question (d): What needs to be done next? How should the project be built upon?

- Provide more useful case studies (3).
- The dialogue between APEC and ABAC should continue in order to exchange views on what the private sector wants from APEC.
- It should take its place in the proposed Investment Facilitation Action Plan (IFAP) to have a role with a more coordinated APEC investment facilitation.
- To confirm steps until 2010 (Busan Roadmap) for mutual understanding.
- More recognition in ABAC on the importance of public-private sector dialogue.
- Capacity building in the least developing economies.
- Promote public-private sector dialogue to all economies with a view to introducing structural reform.
- This seminar is useful for APEC economies and the project will be required to develop.
- The outcome of the seminar should also be shared in ABAC and CTI to reflect the message across the board.
- Follow-up of APEC economies on the recommendation agreed. (3)
- Economy-specific and sectoral dialogues are needed.

Question (e): Is there any plan to link the project's outcomes to subsequent collective actions by fora or individual actions by economies?

- Yes, will consider. (3)
- I will try to figure out how to break through.
- Wait for IFAP. Then identify specific capacity building projects.
- This kind of dialogue is an on-going process. We plan to share further information about capacity building among various economies given from this seminar.

Question (f): Please use the same scale to rate the project on an overall basis.

- 5 (good): 12
- 4: 10
- 3: 4
- 2 0
- 1 (poor) 0

Question (g): What is your assessment of the overall effectiveness of the project?

- Successfully reiterating the need for public-private dialogue in order to identify impediments.
- Good exchange of information.
- Subject matter explained clearly.
- Speakers are very clear and have extensive experiences, making the seminar very effective.
- Very informative and effective.
- Presentations from each speaker are very informative and useful. It would be better if topics of discussion were more focused.
- Learning process on how to from the assessment organization is worth it.
- If the dialogue coordinated well, we can expect investment facilitation and growth at home.
- It constitutes an important point where to start public-private sector dialogue.
- Good/Excellent (7)

Question (h): Was the project content: (Check One):

- Just Right (22)
- Too Detailed (1)
- Not Detailed Enough (2)
- N/A (1)

Question (i): Please provide any additional comments. How to improve the project, if any?

- Initial questionnaire could be useful to gauge other economies' efforts if any promoting or having public-private sector dialogue.
- I think there is a good start and more dialogue with ABAC is recommended.
- I think it better to divide into some smaller groups in order to involve more participants in the discussion.
- It is better to collaborate with all stake-holders like government, the private sector, and business group.
- Provide more best practices from more economies.

- It would be appreciated if information, such as investment/trade statistics in APEC economies and GDP breakdown of each economy, was supplied in advance.
- Recommendations are a little too detailed.
- Only some key points can apply to economies because each economy is different. A more general approach would be more beneficial.