

**Twelfth Asia-Pacific
Business Forum**
Bangkok, Thailand
2-3 November 2015

REPORT

I. OPENING, DURATION AND ORGANIZATION OF THE SESSION

1. The Twelfth Asia-Pacific Business Forum (hereafter called the Forum) was held at the United Nations Conference Center Building (UNCC), Bangkok, Thailand from 2 to 3 November 2015. The programme of the Forum is attached as Annex I.
2. The Forum was organized by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), in collaboration with ESCAP Business Advisory Council (EBAC), ESCAP Sustainable Business Network (ESBN), the Organisation for Economic Co-operation and Development (OECD), the International Labour Organization (ILO), the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) of Thailand, the Trade and Industry Association of Singapore (TIAS), the International Chamber of Commerce Bangladesh (ICCB), the Pacific Islands Trade and Invest, the Pacific Basin Economic Council (PBEC), the Joint Foreign Chambers of Commerce in Thailand (JFCCT), the Greater Mekong Subregion Business Forum (GMS-BF), the Mekong Institute, The Asia Foundation and the International Business Council of Sri Lanka.
3. The Forum was inaugurated in the evening of 2 November 2015, with welcome remarks by Dr. Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP and Mr. Isara Vongkusolkrit, Chairman of JSCCIB. Mr. Nirvana Chaudhary, Managing Director of Chaudhary Group, Nepal delivered a special address on “Nepal Earthquake 2015: Rebuilding a Shattered Nation”. An ESCAP report “Resilient Business for Resilient Nations and Communities”, which was jointly published with the Asian Disaster Preparedness Center (ADPC) and the R3ADY Asia Pacific, was also launched. The Forum then hosted a Gala Dinner, which was sponsored by TIAS.
4. The opening session of the Forum was held in the morning of 3 November 2015 with the Minister of Foreign Affairs of Thailand as the chief guest.
5. The Forum’s lunch, hosted by JSCCIB invited Ms. Rosana Wong, Executive Director of Yau Lee Holdings Limited to deliver a special address on "Sustainable Business: How to Go Green".
6. Ms. Robyn Meredith, Executive Director, Private Wealth Management at Goldman Sachs, was the Master of Ceremonies at the Forum.
7. The overarching theme of the Forum, ‘Driving Growth and Sustainability through Business’ was discussed in four plenary sessions addressing specific topics: the new regional economic order; the new regional financial order; harnessing entrepreneurship, technology and innovation for sustainable development; and sustainable business in the Asia-Pacific region. .
8. OECD and ILO also made presentations on responsible business in global supply chains.
9. In closing, Mr. Marc Proksch, Chief, Business and Development Section, Trade and Investment Division, United Nations ESCAP, summarized the discussions and recommendations of the Forum. The Forum was concluded by closing statements by Mr. Chote Sophonpanich, EBAC Vice Chairperson and Dr. Susan F. Stone Director, Trade and Investment Division, United Nations ESCAP.
10. The International Chamber of Commerce Bangladesh (ICCB) offered to host the 13th session of the Asia-Pacific Business Forum in Dhaka in November/December 2016, with sponsorship from the Ministry of Commerce of Bangladesh. The Forum appreciated the offer and generous contribution from Bangladesh.
11. Three pre-Forum events were organized: (a) ESBN Task Force Meetings and the EBAC/ESBN welcome cocktail reception at C-asean on 1 November 2015; (b) First Session of the ESBN at UNCC on 2 November 2015; and (c) Tenth Session of EBAC at UNCC on 2 November 2015.

II. CONCLUSIONS, RECOMMENDATIONS AND OUTCOMES OF THE SUBSTANTIVE DELIBERATIONS

A. Opening Session

1. **Keynote address by H.E. Mr. Don Pramudwinai, Minister of Foreign Affairs of Thailand**

H.E. Don Pramudwinai emphasized the historical significance of the year 2015 as it marked the adoption of the new 2030 global development agenda including the Sustainable Development Goals (SDGs) and hoped that the concept of sustainability would be embraced by all stakeholders including the public and private sectors, academia and NGOs. He also highlighted the important role the private sector can play in achieving the 17 SDGs. He noted that Thailand believed that business must be at the forefront of achieving sustainable development although it is expected that governments should take the lead. He talked about the inadequacy of corporate social responsibility to tackle inequality, and invited socially active entrepreneurs to take initiatives in this area as they can generate social value for the economy. He also explained that the current Government of Thailand had been carrying out democratic and structural reforms in the country in various dimensions. He also indicated that the Government aimed to create an environment conducive for businesses to thrive in the long run as emphasized in the Seven-Year Investment Promotion Strategy (2015-2021), which offered diverse tax and non-tax incentives for investments from ventures, as well as SMEs, based on their merits and contribution to the development of the country. The Ministry of Science and Technology and Ministry of Foreign Affairs of Thailand, jointly designated as part of the Government's economic team, had been working on the blueprint of Thailand's science diplomacy for national competitiveness as a guideline for domestic stakeholders to move together in promoting cooperation in the field of science, technology and innovation (STI) with the international community. He concluded by urging that all enterprises take a closer look at the 169 targets of the 17 SDGs and said that there are plenty of opportunities for them to expand their business while participating in the various sustainable development initiatives.

2. **Welcome address by Mr. Thapana Sirivadhanabhakdi, President and CEO of Thai Beverage Public Limited Company and a member of the ESCAP Business Advisory Council**

Mr. Thapana Sirivadhanabhakdi welcomed all participants on behalf of EBAC and briefed the Forum on the achievements of EBAC and ESNB task forces in recent years. He stated that for the past two days, EBAC and ESNB had held a number of meetings to forward the agenda of sustainable and inclusive businesses in many areas represented by their respected members and observers. He said that the ESNB task forces were able to pursue pressing and relevant issues for the region such as disaster risk reduction, conducting green business, realizing digital economy, small business development, facilitating trade and transportation, responsible banking and role of business in advancing STI for sustainable development. He looked forward to EBAC and ESNB leading the discussions at the Forum. He closed his statement by expecting fruitful discussions during the Forum and reiterated the continued support and active involvement of EBAC and ESNB to the Forum which promotes public-private sector dialogue on the role and needs of businesses in achieving inclusive, resilient and sustainable development for all.

3. **Welcome statement of Dr. Shamshad Akhtar, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP**

Dr. Shamshad Akhtar opened her welcoming speech by noting the landmark adoption of the 2030 Agenda for Sustainable Development, including SDGs, by United Nations member States on 25 September 2015. She highlighted the fact that SDGs require new forms of partnerships among stakeholders that needed to go beyond traditional North-South technical assistance but focused on key areas of sustainable development, including STI, human resource development and multi-dimensional South-South cooperation. One of the modalities by which ESCAP had engaged the business sector was the Asia-Pacific Business Forum which acted as public-private sector dialogue on the role and needs of businesses in achieving inclusive and sustainable development. She concluded her speech by underlining the importance of three areas where business had to play a crucial role: the integration of the Asia-Pacific region and beyond; the renewed attention to the role of STI in achieving sustainable development; and the

promotion of principles or guidelines by governments in line with the SDGs.

4. In addition to the aforementioned speeches, Dr. Susan F. Stone, Director, Trade and Investment Division, ESCAP, delivered her introductory statement, and Mr. Ken PAN YanCheng, President, Trade and Industry Association of Singapore (TIAS) delivered a vote of thanks.

B. Ministerial Plenary Session 1: The New Regional Economic Order

5. The ministerial plenary session on the New Regional Economic Order was moderated by Dr. Patrick Low, Visiting Professor, Hong Kong University, and former Chief Economist of the Asia Global Institute and World Trade Organization (WTO). The session consisted of the following panelists:

- H.E. Mr. Tofail Ahmed, M.P., Minister for Commerce, Government of Bangladesh
- H.E. Dr. Sarath Amunugame, Minister for Special Assignments of Sri Lanka
- Hon. Mr. Shane Jones, Ambassador for Pacific Economic Development, New Zealand
- H.E. LCT Tekreth Kamrang, State Secretary, Ministry of Commerce, Cambodia
- Dr. Kensuke Tanaka, Head of Asia Desk, OECD Development Centre

6. The ministerial plenary session discussed the following topics:

- Implementation of mega-regional trade agreements
- Opportunities and threats for included and excluded signatories
- Improving public policy regarding integration of the ASEAN Economic Community or AEC
- Coordination of efforts between national and sub-national levels for improved integration

7. The main conclusions, recommendations and outcomes of the ministerial plenary session were as follows:

- The establishment of preferential trade agreements, such as the Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP), is driven by economic incentives, countries' desires to be competitive in the global market and to leverage trade in order to integrate into Global Value Chains.
- Facilitating trade will create a more prosperous investment climate and increase foreign direct investment (FDI).
- There are concerns regarding the inherent discriminative nature of preferential trade agreements but also the recognition that they offer opportunities to support economic growth in the region through them.
- Continuous collaboration efforts are essential to identify and overcome difficulties arising from conflicting agreements.
- Competitiveness and integration is a key for attracting investments. The Asia-Pacific region should narrow the development gaps by coordinating development efforts to meet countries' individual needs with due recognition to specializations and competitive advantages in individual countries so as to avoid wasteful and expensive competition.
- The China-led One Belt One Road (or Belts and Roads) initiative is aimed at economic expansion but also an open initiative where other countries along the belt are welcome to join. The initiative targets infrastructure development which will create trade opportunities among the countries participating in the initiative.

C. Plenary Session 2: The New Regional Financial Order

8. The second plenary session on the New Regional Financial Order was moderated by Ms. Robyn Meredith, Executive Director, Private Wealth Management at Goldman Sachs, Hong Kong, China. The session consisted of the following panelists:

- Mr. James Fierro, CEO, ECO Capacity Exchange
- Dr. Bandid Nijathaworn, President and CEO, Thai Institute of Directors
- Mr. Joe Horn, Founder and CEO, Strategy 613
- Dr. Margit Molnar, Head of the China Desk, Economics Department, OECD

9. The panel discussed the following topics:

- Financing for regional trade
- Rise of the Chinese yuan as international currency
- Digital currency
- Payment system technology

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

- Given the loss of confidence in financial institutions after the global financial crisis, the present trend is towards a fair and more inclusive way for exchanging value. One way to restore confidence is to revolutionize currency, for instance by introducing digital currencies.
- The Asia-Pacific region should be encouraged to use alternative currencies in addition to the United States dollar and establish a new way of financing the settlement of commodities and bilateral trade of currencies. Also, better macroeconomic surveillance and crisis recovery capacity are needed to improve the financial architecture. It is anticipated that the Chinese yuan could be an alternative currency for the region in the future.
- With the removal of the ceiling on ordinary deposits, China fully liberalized its currency market. In the future, the value of the yuan would be much more determined by the market while a better allocation of capital by the Chinese Government could be expected.
- The future of the global economy was still uncertain. Banks had not yet fully recovered and liquidity was not well translated into output. The global economy was still suffering because of reduced financing. There was a need to reduce this financing gap and strengthen regulation of financial institutions. In this connection, the Asian Infrastructure Investment Bank (AIIB) was considered a useful additional mechanism to address the need for finance for infrastructure development in developing countries of the region.
- Trade had been facilitated with improved access to financial services through new payment systems such as mobile banking and bitcoins. These new systems should be integrated into global value chains.
- The use of a common currency for the promotion of regional cooperation and integration was mentioned; however, this raised objections among panelists as this required a unified financial system and supervision mechanisms and common financial policies which were not politically feasible.

D. Plenary Session 3: Harnessing Entrepreneurship, Technology and Innovation for Sustainable Development

11. The third plenary session was moderated by Mr. Akash Bhavsar, Managing Director, Skyquest Technology Group. The session consisted of the following panelists:

- Dr. Karndee Leopairote, Managing Director, C-asean
- Mr. Sunil Lalvani, Project Maji, Global Products Group Limited
- Ms. Maggie Gorse, Founder and CEO, Verlion Private Limited
- Mr. Asif Ibrahim, Chairman, BUILD and ESNB Task Force on Disaster Risk Reduction

12. The panel discussed the following topics:

- Science, technology and innovation (STI) and tech entrepreneurship
- Clean energy technology
- Big data and social media effects

- Impact on employment and labour

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

- Innovation and technology are important tools for development but the main vehicle for innovation and technology is entrepreneurship. Entrepreneurship cannot solve every problem but is the leading force behind innovation that will yield sustainable solutions.
- Fostering entrepreneurship is not the responsibility of government alone; the private sector must be engaged. Education to develop capacity at a young age, and providing a venue for self-expression, is important. Entrepreneurship is often more passion driven rather than profit driven.
- The pharmaceutical industry is a good example to show that traditional ways of doing R&D are not necessarily optimal and that resources can be allocated in better ways to produce innovative products for commercialization. Large research-oriented institutions should also look for new ways to optimize their operations. There are various examples of successful social enterprises involved in the supply and distribution of fresh water and energy to less developed countries.
- Enhancing the understanding of the role of innovation among regulators could prove as a key in advancing the SDGs.

E. OECD/ILO Special Presentation: Responsible Business in Global Supply Chains

14. The special OECD/ILO presentation on responsible business in global supply chains was moderated by Mr. Nitij Pal, Principal, PLN Australia. The session consisted of the following panelists:

- Ms. Cristina Tebar Less, Head of Responsible Business Conduct Unit, OECD
- Mr. Maurizio Bussi, Director, ILO Decent Work Team (DWT) for East and South-East Asia and the Pacific

15. Ms. Cristina Tebar Less delivered a presentation on the application of recent OECD guidelines on due diligence in sectors such as agriculture, garment and footwear and extractives sectors. Her main points were:

- OECD aims to set the standards for responsible business conduct (RBC) in all areas of business ethics, providing policy advice, guidelines, standards and tools for businesses to improve their responsible business practices.
- The primary method of changing corporate behaviour is to consider ethical violations as a risk to corporate integrity and consider due diligence as risk-management, mapping the entire supply-chain. Every supply chain (such as in textiles, extractives and agriculture) requires tailor-made approaches as different ethical violations are found at different stages of the supply chain.

16. Mr. Maurizio Bussi, Director, ILO DWT for East and South-East Asia and the Pacific, gave a presentation on the main considerations for the preparation of the 2016 International Labour Conference on Decent Work in Global Supply Chains. His main points were:

- ILO's decent work agenda consists of promoting job creation and protecting workers in various ways, such as guaranteeing their rights at work, extending their social protection beyond the workplace and promoting dialogue with employers.
- Global competition and imperfect cross-border regulation are among the current challenges putting downward pressure on wages and working conditions. Therefore, there is a need to carefully examine the effects of global supply chains on the economy in general and on working conditions in particular.
- The key to promoting policies and good practices for the integration of local industries into global supply chains is balancing their effective integration with enhanced competitiveness.

H. Plenary 4: Sustainable Business in the Asia-Pacific Region

17. The fourth plenary session was moderated by Mr. Michael Greenslade, Trade Commissioner, and Pacific Islands Trade and Invest. The session consisted of the following panelists:

- Mr. Jens Hügel, Head - Goods Transport & Sustainable Development, International Road Transport Union (IRU)
- Dr. Vachara Phanchet, Chairman Emeritus, the Pacific Basin Economic Council (PBEC)
- Dr. Lee George Lam, Chairman-Indochina, Myanmar and Thailand; Senior Adviser-Asia, Macquarie Infrastructure and Real Assets (Hong Kong) Ltd.
- Dr. Eddie Game, Lead Scientist, Asia Pacific Region, the Nature Conservancy

18. The panel discussed the following topics:

- Green business financing
- Sustainable fishing/tourism
- Green buildings

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

- Regulators should change the incentive framework to foster substantial changes in behaviour of the private sector. They can offer tax incentives or impose penalties depending on the level of (un)sustainability of business activities.
- Corporate social responsibility or CSR requires cooperation between the private and public sector. The role of governments is to align market incentives with SDGs. If governments strategically use penalties and subsidies (for instance the use of certain processes/technologies/productivity and material-use benchmarks), they can influence corporate behaviour to be more socially oriented.
- Green business financing remains a challenge as the case for profits must be made. A sustainable relationship between investors on the one hand and practitioners on the other hand needs to be maintained. Private sector money must be utilized in the best way to create value.
- The unsustainable practices employed in the tuna fishing industry in Asia and the Pacific stress the dilemma between ensuring sustainability and realizing economic benefits. The fishing industry requires innovation to use resources more efficiently or, alternatively, must impose regulation to limit resource exploitation. The latter may hurt the economic performance of the sector. For example, NGOs use private capital and show that profitability and sustainability can be achieved at the same time; however, this does not maximize profits.
- There is a need to maintain and protect natural infrastructure. It mitigates natural disasters, such as floods, earthquakes and draughts.
- The improvement of sustainable business practices requires the identification of good projects, entrepreneurs and business models. Commercial banks are required to pay more attention to sustainability as well as economic and political stability, so funding for such projects can improve.

ANNEX I

APBF PROGRAMME

Monday, 2 November 2015 (evening)

Asia-Pacific Business Forum 2015 (day 1)

Venue: *Reception Hall, Ground Floor, United Nations Conference Centre*

17:00 – 18:00	Registration and Cocktail
18:00–18:30	Welcome Remarks Dr. Shamshad Akhtar <i>Under-Secretary-General of the United Nations and Executive Secretary of ESCAP</i> Welcome Remarks from Cooperating Agency Isara Vongkusolkit <i>Chairman, the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) of Thailand</i> Special Address on “Nepal Earthquake 2015: Rebuilding a Shattered Nation” Nirvana Chaudhary <i>Managing Director, Chaudhary Group, Nepal</i> Launching of <i>Resilient Business for Resilient Nations and Communities</i> Photo Session
18:30– 20:30	Gala Dinner <i>Sponsored by the Trade and Industry Association of Singapore (TIAS)</i>

Tuesday, 3 November 2015

Asia-Pacific Business Forum 2015 (day 2)

Venue: *Conference Room 3, United Nations Conference Centre*

08:00 – 09:00	REGISTRATION <i>at Registration Counter, Ground Floor, United Nations Conference Centre</i>
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09:00 –09:45	<p style="text-align: center;">OPENING SESSION</p> <p style="text-align: center;">Introduction to APBF 2015: Dr. Susan F. Stone <i>Director, Trade and Investment Division, ESCAP</i></p> <p style="text-align: center;">Welcome Statement: Thapana Sirivadhanabhakdi <i>President and CEO, Thai Beverage Public Limited Company and a member of the ESCAP Business Advisory Council (EBAC)</i></p> <p style="text-align: center;">Opening Address: Dr. Shamshad Akhtar <i>Under-Secretary-General of the United Nations and Executive Secretary of ESCAP</i></p> <p style="text-align: center;">Keynote Address: H.E. Don Pramudwinai <i>Minister of Foreign Affairs of Thailand</i></p> <p style="text-align: center;">Vote of Thanks: Ken PAN Yancheng <i>President, Trade and Industry Association of Singapore (TIAS)</i></p> <p style="text-align: center;">Photo Session</p>
09:45 - 10:15	<p style="text-align: center;">Networking break</p> <p style="text-align: center;"><i>Hosted by the Pacific Basin Economic Council (PBEC)</i></p>
10:15 - 11:30	<p style="text-align: center;">MINISTRIAL PLENARY SESSION 1</p> <p style="text-align: center;">THE NEW REGIONAL ECONOMIC ORDER</p> <p>Moderator: Dr. Patrick Low, <i>Visiting Professor, Hong Kong University, former FGI/former WTO Chief Economist</i></p> <p>Panelists: H.E. Tofail Ahmed, M.P., <i>Minister for Commerce, Government of Bangladesh</i> Hon. Dr. Sarath Amunugama, <i>Minister of Special Assignments of Sri Lanka</i> Hon. Shane Jones, <i>Ambassador for Pacific Economic Development, New Zealand</i> H.E. LCT Tekreth Kamrang, <i>State Secretary, Ministry of Commerce, Cambodia</i> Kensuke Tanaka, <i>Head of Asia Desk, OECD Development Centre</i></p>
11:30 - 12:30	<p style="text-align: center;">PLENARY 2</p> <p style="text-align: center;">THE NEW REGIONAL FINANCIAL ORDER</p> <p>Moderator: Robyn Meredith, <i>Executive Director, Investment Management Division, Goldman Sachs</i></p> <p>Panelists: James Fierro, <i>CEO, ECO Capacity Exchange</i> Dr. Bandid Nijathaworn, <i>President and CEO, Thai Institute of Directors</i> Margit Molnar, <i>Head of the China Desk, Economics Department, OECD</i> Joe Horn, <i>Founder and CEO Strategy 613</i></p>

12:30 – 14:15	<p style="text-align: center;">APBF lunch</p> <p style="text-align: center;">Special Address:</p> <p style="text-align: center;">"Sustainable Business: How to Go Green"</p> <p style="text-align: center;">Rosana Wong <i>Executive Director, Yau Lee Holdings Limited</i></p> <p style="text-align: center;"><i>Hosted by the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) of Thailand at the Reception Hall, Ground Floor</i></p>
14:15 – 15:15	<p style="text-align: center;">PLENARY 3</p> <p style="text-align: center;">HARNESSING ENTREPRENEURSHIP, TECHNOLOGY AND INNOVATION FOR SUSTAINABLE DEVELOPMENT</p> <p>Moderator: Akash Bhavsar, <i>Managing Director, Skyquest Technology Group</i></p> <p>Panelists: Dr. Karndee Leopairote, <i>Managing Director, C-asean</i> Sunil Lalvani, <i>Project Maji, Global Products Group Limited</i> Maggie Gorse, <i>Founder and CEO, Verlion Private Limited</i> Asif Ibrahim, <i>Chairman, BUILD and ESNB Task Force on Disaster Risk Reduction</i></p>
15:15 - 15:45	<p style="text-align: center;">Networking break</p> <p style="text-align: center;"><i>Hosted by the Pacific Islands Trade & Invest</i></p>
15:45-16:15	<p style="text-align: center;">OECD/ILO Special Presentation</p> <p style="text-align: center;">Responsible Business in Global Supply Chains</p> <p>Moderator: Nitij Pal, <i>Principal, PLN Australia</i></p> <p>Presenters: Cristina Tebar Less, <i>Head of Responsible Business Conduct Unit, OECD – recent guidance on what due diligence looks like in agriculture, garment and footwear, and extractives sectors</i> Maurizio Bussi, <i>Director, ILO DWT for East and South-East Asia and the Pacific – main considerations for the preparation of the 2016 International Labour Conference on Decent Work in Global Supply Chains</i></p>
16:15-17:15	<p style="text-align: center;">PLENARY 4</p> <p style="text-align: center;">SUSTAINABLE BUSINESS IN THE ASIA-PACIFIC REGION</p> <p>Moderator: Michael Greenslade, <i>Trade Commissioner, Pacific Islands Trade & Invest</i></p> <p>Panelists: Jens Hügel, <i>Head - Goods Transport & Sustainable Development, International Road Transport Union (IRU)</i> Dr. Vachara Phanchet, <i>Chairman Emeritus, the Pacific Basin Economic Council (PBEC)</i> Dr. Lee George Lam, <i>Chairman-Indochina, Myanmar and Thailand; Senior Adviser-Asia, Macquarie Infrastructure and Real Assets (Hong Kong) Ltd.</i> Dr. Eddie Game, <i>Lead Scientist, Asia Pacific Region, The Nature Conservancy</i></p>

17:15 – 17:30

CLOSING SESSION

Closing Statement - EBAC:
Chote Sophonpanich
EBAC Vice Chairperson

Summary of the Forum:
Marc Proksch
Chief, Business and Development Section, Trade and Investment Division, United Nations ESCAP

Closing Statement:
Dr. Susan F. Stone
Director, Trade and Investment Division, United Nations ESCAP