Changes, Challenges and Opportunities for Asia and the Pacific

The Asia-Pacific Business Forum 2005 consisted of two roundtable discussions and eight breakout sessions which facilitated lively debate among 400 participants from governments, the business community, civil society, international organizations and academics. Following is a selection of recommendations that emerged from the Forum. These will provide input for ESCAP’s future work. Other organizations may also wish to use these as a basis for further work. A detailed report will be available soon at www.unescap.org/apbf/.

Getting Asia-Pacific Ready to Capitalize on Globalization

• Build on the positive aspects of globalization while addressing the negative impacts.
• LDCs to develop a coordinated and integrated approach to address challenges posed by low FDI, low productivity, skills shortages, lack of export diversification, low market access negotiating power, barriers to trade, etc. (e.g. by developing uniform product standards, harmonizing customs, resolving transit issues, seeking better rules of origin and GSP conditions, etc).
• Build institutional capacity.
• Support the establishment of an Asia Development Fund to promote investment, dissemination of information and transfer of technology.
• Conduct regular multi-stakeholder consultations, such as the Asia-Pacific Business Forum, in different countries in the region.

Coping with Economic Impact of Natural Disasters

• Encourage using suppliers from tsunami-affected areas, and use local contractors for tsunami reconstruction.
• Ensure transparency and accountability in tsunami relief and reconstruction efforts.
• Facilitate inter-country cooperation in disaster management, including dialogue on prevention.
• Create special economic/investment zones in disaster-affected areas, with duty-free import and/or tax privileges, and grant special status to companies investing there.
• Devise an international convention or other measures to facilitate imports of goods and services in case of catastrophes.
How Enabling is the Asia-Pacific Business Environment and What Can be Done to Maximize Its Opportunities?

An enabling business environment in Asia and the Pacific
• Identify constraints and opportunities and take action through policy dialogues between governments and the private sector and through collaboration such as setting up joint consultative bodies, joint business councils, joint commissions, trade delegations, regional/national trade exhibitions and specialized working groups.
• Tackle regional disparities by sharing expertise and knowledge and by focused cooperation among government, the private sector and civil society.
• Continue improving legal frameworks and regulations and enhance institutional capacity to facilitate business activities, ensuring fair competition, transparency, accountability and predictability.
• Reduce onerous red tape, high costs and other impediments to private sector activities; reduce transaction costs on the import and export of goods; eliminate all unnecessary and overlapping licences and permits; set up a real “One-Stop Service” for investors and an ICT-based “One-Stop Service” for exporters; reorient the attitude and mentality of the public sector from regulation to business support.
• Foster human resource development (e.g. through vocational and technical training and R&D centres).
• Business associations to focus on bridging the gap between governments and the business community.

Logistics and the global value chain
• Promote membership of the Asian Highway Agreement and the Trans-Asian Railway Agreement.
• Develop regionwide container forecasting to address capacity issues.
• Design and implement a regional road safety action plan (400,000 people die in road accidents in the region each year, with a significant impact on regional GDP).
• Develop land links between Asia and Europe and open up the hinterland of Asia, bringing trade to remote towns and villages to create jobs and reduce poverty.
• Replace road cargo transport with transport by pipelines and rail to reduce pollution and accidents.
• Study the different transport movement conventions in force in the region with a view towards regional harmonization.
• Encourage strategic analyses of how to integrate into the value chains of the industries of the future.

Outsourcing: possibilities, obstacles and joint actions
• Facilitate SMEs’ participation in global outsourcing, offshoring and supply chains, by improving their competitiveness.
• Focus strategically on outsourcing in growth sectors such as biotechnology, entertainment and computer software where employment and R&D investment are expected to increase in future.
• Study good practices and success stories on the linkage between education, investment and jobs in outsourcing and offshoring.
• Reduce impediments to doing business.
• Give priority to development of human resources and good practices in HR management.
• Invest in modern communications infrastructure.
E-governance: re-engineering business and government processes

- Develop better indicators and tools to assess concrete requirements, needs, levels of usage and impact of ICT in the region.
- Develop a legal framework for e-governance.
- Develop e-governance initiatives based on well-defined strategies and good practices.
- Encourage regional trade and transport facilitation initiatives, such as paperless trading and one-stop/single-window systems through regional collaboration and stakeholder participation.
- Set up a regional centre for ICT capacity building.
- Find ways to improve access to ICT in rural areas.

The Asia-Pacific Agenda for Corporate Social Responsibility

Corporate social responsibility (CSR) issues for Asia and the Pacific

- Recognize that CSR helps enterprises to manage the impact of their businesses on society and to respond to the concerns of stakeholders.
- Recognize that CSR is not only the right thing to do, but is also good business and as such relates to the sustainability of the enterprise.
- Generate increased awareness regarding the scope and benefits of CSR, especially among SMEs (e.g. by integration of CSR into curricula of business schools and through advocacy).
- Ensure that stakeholders in developing countries, including those at the bottom of the supply-chain (mainly SMEs) benefit from CSR, so that it is not seen as an impediment to trade.
- Increase partnerships, within and across sectors, to reduce suspicion among stakeholders and to avoid duplication in monitoring compliance against myriad laws and codes of conduct.
- Make available nonintrusive tools to measure CSR.
- Ensure that FDI promotion and attraction policies and practices are consistent with expectations relating to the responsible behaviour of enterprises.

Implementation of CSR

- Mobilize the support of senior executives, to support the prioritization and implementation of CSR.
- When starting to implement at the company level, focus on 1-2 aspects and make progress in these areas.
- Increase research on CSR, in particular on the business case for CSR at the individual company level, especially for SMEs.
- Encourage companies to use available tools for measuring and reporting on CSR, including to identify gaps and areas for improvement, and to communicate accomplishments.
- Consider national and regional incentives for CSR, such as public recognition for progress made by individual enterprises (through awards, etc).
- Consider government incentives (e.g. in public procurement) for companies to implement CSR, taking due account of the situation of SMEs.
Stakeholder dialogue

- Maintain a constructive dialogue that is transparent for all parties, promotes self-critical learning and avoids confrontation.
- Ensure a balanced input by different parties – government, business, labour and civil society – by enabling all to play a constructive role.
- Promote business-to-business cooperation and networking to move whole industries, including SMEs, forward.
- Build capacity of SMEs to communicate effectively.
- Advocate CSR as a corporate value rather than a PR tool.

Transparency: free and fair competition

- Corruption is a transnational problem which needs transnational solutions.
- Note that there is often an inverse relationship between transparency and corruption. Increased transparency leads to less corruption.
- Promote increased transparency and accountability, including through reporting.
- Streamline regulations and reduce bureaucratic discretion to reduce opportunities for corruption.
- Improve enforcement of laws and regulations.
- Increase information flows and recognize the role of civil society and the media in reduction of corruption.
- Take a joint approach to improving both public governance and corporate governance as these often go hand in hand.
- Increase the number of independent directors on company boards through appropriate company laws.
- Legally protect “whistle-blowers” and ensure effective implementation of such laws.
- Speed up judicial processes, increase the number of qualified judges and increase transparency and checks-and-balances in procurement and other areas where corruption is rife.
- Consider the establishment of an international anti-corruption agency, similar to Interpol.
- Use the convening power of the UN and other international organizations to drive change.
- Increase use of collective action to increase transparency.

For the detailed report of the Asia-Pacific Business Forum 2005, see: [www.unescap.org/apbf](http://www.unescap.org/apbf);

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