



Session Title: The Challenge of Asia for U.S. Companies
Date & Time: 4 April, 9.40am – 10:20am
<i>Moderator:</i> Jackson Cox , Chairman, APCAC & Woodmont International <i>Speaker:</i> Alex Feldman , President & CEO, US-ASEAN Business Council Charles Freeman , Senior Vice President, U.S. Chamber, Washington D.C. Monica Hardy Whaley , President, National Center for APEC Ramzi Toubassy , President, American Malaysian Chamber of Commerce (AMCHAM) and CEO, AmMetLife, Malaysia

Introduction & Purpose:

How do US businesses in Asia adjust to their position on trade and investment, serve their members and ensure that their businesses remain competitive and as the partner of choice in this region? Some of the challenges, including and the possibility of a trade war between the US and China, were addressed by the panellists from multi-stakeholder platforms.

Summary of the session

Moderator: What are you doing new in response to these new challenges we are facing?

Speaker: Monica Hardy Whaley

Attributing the increase in US businesses to frontliner, APEC Business Advisory Council (ABAC), she said, "The way to do that at ABAC is to have US businesses at the table. We bring experts into the room, financial and digital experts on health and all these different topics (not only) into ABAC business meetings but also to APEC meetings where the senior officials of the different economies are there. Having US businesses at those tables and sharing expertise is going to make a difference."

Speaker: Ramzi Toubassy

Previously, AMCHAM had only a board of governance, comprising mostly CEOs from the different companies, who didn't have time to work together in terms of what they need to do to become a voice until Siobhan Das was brought in as an executive director.

Ramzi found the government entities in Malaysia to be "very supportive" once they understood what US companies were doing and were giving back to the local community. Thus, communication is key. The US embassy and its ambassador, the honourable Kamala Shirin Lakhdar, have also been very helpful to help them move forward.

Speaker: Charles Freeman

With the forces of anti-globalisation having reached a critical mass, Charles said, "As cheer leader in the White House, that is an enormous challenge for us." In working with APCAC and AMCHAM, another challenge they faced is to ensure that their "voices are heard enough not just within the White House but also broadly to the US".

"The challenge for us is to help create a narrative which runs counter to the narrative that is going on at the stage right now. Ultimately it is about us operating in a seamless way and ensuring that the voices we are using to counter these challenges are consistent, fact-based and uncompromising. Our challenge is to ensure that we are all constantly on the same page."

Speaker: Alex Feldman

Despite Asean's vibrancy, Alex believed the disturbing trends in the region require US companies to work together across various platforms. "The biggest thing we can do collectively and individually is to engage, talk to leaders and communicate what we can bring significantly as the world becomes smaller and more digital.

"Individually, (US) companies need to be engaging Asean leaders and these governments because we are seeing some back sliding, protectionist tendencies rising here."

Also, China is offering the region an alternative system. If a trade war were to break out between China and the US, he envisaged it spilling over to the region. Alex also sees CSR activities as a major differentiator between US investment and that of other countries.

Moderator's conclusions

“Details are what’s going to help us have a competitive edge and go forward,” Jackson told the chambers and business associations. Being able to say things which their members can’t say, he urged them to have the courage to be a little upfront on important issues and bold in making statements.

“Always make it a point to reach out to the new audience and groups of people, changing some of the equation of importance.”

He added, “Opportunities bring challenges. It’s a first good step we are all working together.”

Questions from the Floor

Q1: On US trade negotiations with various countries in the region, what do you see as the potential timeline or is it just talk? From the perspective of your organisations, do you see as realistic that sometime in the future the US will engage in positive trade talks?

Speaker: Charles Freeman

There’s certainly a willingness to talk on a bilateral basis. The question is, ‘What does that lead to?’ I don’t think the US government right now really understands exactly what it wants from the individual trade discussion. There is a willingness but an uncertainty in the path forward.

There’s a desire to talk to the Vietnamese, the Filipinos and a lot of desire to talk to the Japanese but less willingness from the Japanese to talk back. In the little markets, there are more desire to engage but I am not sure if anyone really understands what that engagement is supposed to look like.

Speaker: Monica Hardy Whaley

Although agreeing with Charles, she said based on their experience in Danang with the US business community, the voices from the region are very different from what they hear in Washington DC. “It is important that this voice on the ground is the voice of business being heard because that is something that the folks in the US government and those in leadership positions understand.”

Speaker: Ramzi Toubassy

Ramzi believed if US companies could offer the best services, strong customer centricity and are innovative, they will be able to continue what they are doing, citing MetLife Malaysia, which has been in the country for over 34 years, as an example. "Whether we have a trade war or not, we will always have companies competing with us," he reminded.

Speaker: Alex Feldman

Being part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, he thinks some of the benefits will accrue to US companies. The same goes for the RCAP agreement in Asia in which we are party to, said Alex.

Q2. It is good that US companies are domiciled in the TPP's 11 countries and RCAP's seven countries but what about the small businesses in the US? Is there an appreciation for them? In the current political environment, what is being done to change that?

Speaker: Charles Freeman

Living in upside down world, Charles said the focus on bilateral trade deficits does not mean anything. Yet this is the focus of our current trade policies. He suggested returning to the "basic and first principles and look at why we have trade agreements," which not only benefitted multinational corporations that took advantage of domiciled TPP countries but also small business enterprises keen to export and invest in these markets.

Speaker: Monica Hardy Whaley

Small businesses need the things happening in APEC more than the large businesses as the latter can get around it. The APEC Business Travel Card, for instance, is exponentially more important to small businesses.

Q3. What does your organisation do? Some advice on how we can work together as multi stakeholder platforms to chart that bold future, which is this Summit's theme?

Speaker: Monica Hardy Whaley

We serve the US Chamber of Commerce in US-Asean Business Council at the NCAPEC for the US tech coalition. At APEC leaders' and ministers'

meetings, we ensure opportunities for all to speak to the US government's leadership and leadership from other economies.

Besides working on ABAC on trade balance and how trade benefits could be spread more broadly and realised more effectively throughout these economies, Monica said changes in the workforce were also addressed. "They will be a fundamental shift in how we and the people of these economies operate. These are going to be important interests to focus on."

Speaker: Ramzi Toubassy

Besides establishing a good working relationship with the local government, Ramzi said US companies did a lot of CSR via its AMCHAM Cares programme to show that they were giving back to the local community.

Speaker: Alex Feldman

We want the voices from Asia, AMCHAM and APCAC speaking loud and clear back in Washington and throughout the US. Hoping to work more closely together, he said, "Our doors are always open" and that the US is back in a very big way.

Speaker: Charles Freeman

Besides support for TPP and its entry back into it, he said the Chamber has two programmes worldwide. Its RSP programme reaches out to audiences like the SMEs in SEA, which can be its customers, suppliers and co-advocates.

Its second programme, focused on Asean's 2025 goals to create an economic community that will hopefully allow free trade, free goods, free movement of capital and professionals across the region.

Takeaway from the session

- ABAC's big difference in bringing US businesses to the table and sharing of US expertise.
- A stronger one voice after AMCHAM's executive director appointment to represent US companies in improving communications with the local government.

- US government in Washington DC must be on the same page with US associations or companies in the region.
- Constant engagement with ASEAN leaders is necessary
- CSR activities by US companies, a big differentiator compared to investments by other countries in the region.
- Details matter in giving US companies the competitive edge. They also need to work together, be customer centric, innovative and constantly reach out to new audiences.
- Reexamine why we have trade agreements in the first place.