

ONE ON ONE BY BLOOMBERG BRIEF**APEC to Boost Focus on Bogor Goals, Infrastructure, Market Building in 2013, Official Says**

David Dodwell, executive director of the Hong Kong-APEC Trade Policy Study Group, spoke to Scott Johnson about Asia-Pacific Economic Cooperation priorities under Indonesia's chairmanship in 2013.

Q: What happened at the APEC senior officials meeting in Jakarta last week?

A: The two days — a symposium and then the full-day meeting between officials to discuss the priorities and discover where there are objections, if any, or to tweak the ideas — were what the ISOM, the informal senior officials meeting, was all about. In short, the Indonesians have won agreement for three overriding priorities.

The first is to focus afresh on what we call the Bogor Goals. The Bogor Goals said that there would be free and open trade and investment in the Asia-Pacific region for the developed economies — 10 of them — by 2010, and for the remainder by 2020. The Bogor Goals themselves have become, for some, a bit of an embarrassment in that, first of all, they were not terribly specific. Secondly, as people took an audit in 2010 to see just how well everyone had progressed, and as the deadline for the developed economies had progressed, a number of economies were not making as much progress as they should.

The Indonesians themselves have had some challenges in meeting some deadlines or timetables in moving towards that. It was pleasing that they decided to resume ownership of this issue, as it were, and to give it overriding priority for APEC into 2013. One thing that makes it easier is that all of the Asean economies have agreed that by 2015 they will have created this Asean single market, which involves a high level of economic integration.

The second goal was a sustainability and inclusiveness agenda. In certain respects, these are fashionable issues, but I believe that as we've moved deeply into the global recession with no early prospect of recovery, the reality that a large, large proportion of the apparent growth of the past two decades has actually aggregated to the top 1 or 2 percent of the region's population has created political as much as economic difficulties.

The third item is what the Indonesians are calling connectivity. That involves, in large part, physical infrastructure building, but also involves attention being paid to disaster management and education. In the area of physically building infrastructure, what concerns many of the governments in the region is that it's predicted that infrastructure building in the region is going to cost about \$8 trillion to \$10 trillion in the next eight or nine years. Governments across the region do not have that kind of money and so if these investments are going to be made, then the private sector is going to have to be involved.

Inside the APEC Business Advisory Council, where I mainly work, this is attracting quite a lot of attention with an initiative we call APIP, the Asia-Pacific Infrastructure Partnership, where we now have a task force of experts that meet regularly and in private circumstances with government officials that are overseeing infrastructure-building to review projects that they want to get moved forward and to tell them in pretty blunt terms why the private sector is not coming to the table.

Q: How does APIP fit into Indonesia's APEC infrastructure agenda?

A: It's critical, and that's why we made an effort to elaborate on the work already being done. We would hope that APEC officials will, if not wholly adopt the APIP activity, at least embrace it and facilitate its growth, and frankly, there are signs, economy by economy, of that occurring. Essentially, we in ABAC, the business advisory council, feel very strongly that we are in a position to give pretty detailed and actionable advice on what government officials are going to need to do as far as shaping up their foreign-investment regime and their regulatory environment, the legal certainties that can be built into contracts, into things like arbitration or mediation if things go wrong, what they need to build into long-term infrastructure projects if they want them to go forward.

Q: What else was raised last week?

A: Let me tackle a fresh issue which the Indonesians have agreed to give priority

to but doesn't fall within the rubric of those three, and that is a region-wide agreement that our capital markets urgently need to be developed. We've launched an initiative which will converge on a major symposium in Sydney in April called the Asia-Pacific Financial Forum, which is intended to articulate a concrete roadmap to building Asia's capital markets so that China, Indonesia, other major capital-using economies can get more in the business of offering bonds and structured products and derivatives based on them, and use our own regional bond markets rather than rely on the U.S. and Europe.

This interview was edited and condensed. The full version is available at [{NSN MEZR06JTSEC <GO>}](#).

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