



**Asia-Pacific
Economic Cooperation**



29 June 2017

Dr. Kuntjoro Adi Purjanto
Chairman
Indonesia Hospital Association (PERSI)

Dear Kuntjoro,

It is our privilege to extend you and your organization an invitation to the *2017 APEC Business Ethics Forum* to be held 7-8 September 2017 at the Sheraton Hanoi Hotel in Hanoi, Viet Nam.

As one of the world's largest collective actions to strengthen ethical business practices in the biopharmaceutical and medical device sectors, the Forum will convene senior leaders from industry associations and companies, health care professional organizations and patient groups, government authorities, and other stakeholders from across the APEC (Asia-Pacific Economic Cooperation)¹ region and beyond. Registrations must be confirmed online by submitting each participant's information through the following [Registration Link](#).

A [Logistics Note Link](#) and [Sheraton Guest Room Reservation Link](#) are included with this invitation. A preliminary program will be shared in the coming weeks following your registration. There is *no fee* to register for this official, invitation-only program. Live simultaneous interpretation services will be provided during the event between English and Vietnamese.

The Forum will include a high-level plenary dialogue on 8 September, where the senior principal of your organization will be designated an official seat alongside regional leaders to discuss current efforts to build and sustain an ethical business environment in the biopharmaceutical and medical device sectors. This will include brief updates on progress and challenges as well as progress toward the launch and implementation of multi-stakeholder ethical collaborations across member economies. The plenary will review progress toward implementation of the Nanjing Declaration's 2020 goals.²

The Forum will also include training workshops on 7 September on the implementation of codes of ethics aligned with the APEC Principles for Voluntary Codes of Business Ethics in the Medical Device Sector (The Kuala Lumpur Principles)³ and in the Biopharmaceutical Sector (The Mexico City Principles).⁴ The workshops will be led by leading experts in ethics and compliance. They will include training resources, case studies, and interactive breakout sessions on how your organization can (A) demonstrate leadership in strengthening ethical practices, (B) efficiently and effectively adopt/implement a code of ethics, and (C) strengthen engagement with other crucial stakeholders. Both industry and non-industry organizations (health care professional, patient, government, etc.) are encouraged to participate.

We hope you will join your counterparts from across APEC economies to participate in the *2017 APEC Business Ethics Forum*. Registration should be made online for each participant by **14 July 2017**. If you are unable to attend and wish to nominate a senior colleague in your organization, please advise us at your earliest convenience.

Questions may be directed to apecethics@crowell.com for assistance.

Sincerely,

Lynn Costa
Program Overseer, Business Ethics for APEC SMEs Initiative
Senior Trade Policy & APEC Advisor, U.S. Department of Commerce

¹ APEC member economies: Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States; and Vietnam.

² Nanjing Declaration: http://mddb.apec.org/Documents/2014/SMEWG/SMEWG39/14_smeWG39_043.pdf

³ The Kuala Lumpur Principles: http://aimp.apec.org/Documents/2011/MM/SMEMM/11_smemm_009.pdf

⁴ The Mexico City Principles: http://aimp.apec.org/Documents/2011/SOM/CSOM/11_csom_021.pdf



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Business Ethics for APEC SMEs Initiative

OVERVIEW

Small and medium-sized enterprises (SMEs) can serve as an engine of economic growth as long as they operate and innovate in ethical business environments. Unethical business practices disproportionately impact SMEs. According to the World Bank and the European Bank for Reconstruction and Development (EBRD), more than 70% of SMEs in transition economies perceive corruption as an impediment to their business and one-third of SMEs see corruption as a major business obstacle.⁵

To address this issue, in 2010 APEC SME Ministers called for the implementation of high standard codes of ethics in several priority sectors across the region. This call launched the *Business Ethics for APEC SMEs Initiative*, now the world's largest public-private partnership focused on advancing ethical business practices in the medical device, biopharmaceutical, and engineering/construction sectors. The initiative benefits resource-constrained SMEs by providing clarity and harmonization in industry practices, addressing unethical behavior through collective action, and promoting sustainable SME growth and cross-border trade. The initiative has focused on: the development of APEC principles for high standard codes of ethics in each priority sector; capacity building to assist interested organizations in implementing codes consistent with APEC principles on a sectoral basis; and facilitating consensus-based, multi-stakeholder ethical frameworks across health systems.

Since 2010, the *Business Ethics for APEC SMEs Initiative* has enabled more than 1,250 individuals from nearly 1,000 organizations across all 21 APEC member economies (and beyond) to participate in 14 initiative programs to-date hosted by Japan, Malaysia, Mexico, Viet Nam, the United States, Brunei, Chinese Taipei, Indonesia, China, the Philippines, and Peru. Hundreds of additional organizations engage with the initiative remotely. Support for the initiative's efforts have been extended on three or more occasions from APEC Economic Leaders (Heads of State), APEC Ministers (Foreign and Trade), APEC SME Ministers, and APEC Ministers Responsible for Trade.⁶ Since its launch, the initiative's results have included:

- **Industry Association Codes of Ethics:** The development of 37 medical device and biopharmaceutical industry association codes across 10 APEC economies (Chile, China, Indonesia, Malaysia, Peru, Philippines, Singapore, Chinese Taipei, Thailand, Viet Nam) where they previously did not exist, expanding high-standard ethical practices to nearly 19,000 companies in the Asia-Pacific (more than 13,000 of which are SMEs). This achievement doubles the number of medical device and biopharmaceutical industry association codes across the region in three years.
- **Consensus Frameworks:** Modeled on the Global Consensus Framework adopted by European-based health organizations in 2014, the *Business Ethics for APEC SMEs Initiative* is facilitating consensus frameworks for leading health organizations within each member economy. In 2016, the world's first economy-wide consensus framework agreements were concluded in Canada and Peru, bringing together industry groups, health care professional associations, patients' organizations, and governments. Framework discussions are now underway in Australia, China, Mexico, Thailand, and Viet Nam, among other economies.

⁵ The Business Environment and Enterprise Performance Survey (BEEPS)

⁶ Business Ethics for APEC SMEs Initiative – Endorsements: <http://www.mcprinciples.org/view.asp?ccid=462>



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- **China:** In October 2013, China's nine largest biopharmaceutical industry associations convened in Beijing to sign a "Declaration of the Implementation of Pharmaceutical Enterprise Ethical Business Practices" committing thousands of member companies to align with the APEC Principles. This Declaration was expanded in June 2015 to cover an additional eight industry associations across China. The collective membership of these industry groups represents 95%+ of China's biopharmaceutical and medical device market.
- **Mentor Network:** Establishment of an active network of over 125 world leading ethics trainers, spanning all three sectors, to advance implementation of codes aligned with the APEC principles as well as the formation of public-private working groups to advance code adoption and implementation on a sectorial basis.

These achievements were possible following the development of the following APEC principles in each sector:

- **Medical Device Sector (Kuala Lumpur Principles):**
http://aimp.apec.org/Documents/2011/MM/SMEMM/11_smemm_009.pdf
- **Biopharmaceutical Sector (Mexico City Principles):**
http://aimp.apec.org/Documents/2011/SOM/CSOM/11_csom_021.pdf
- **Engineering/Construction Sector (Hanoi Principles):**
http://aimp.apec.org/Documents/2011/SOM/CSOM/11_csom_022.pdf

The APEC Business Ethics for SMEs Forum (2014-2020)

In September 2014, China hosted the 1st APEC Business Ethics for SMEs Forum, convening more than 200 high-level participants from over 80 organizations (governments, industry associations and companies, healthcare professional and hospital organizations, and patient groups) across 20 APEC economies to strengthen regional capacity through ethics training and provide strategic vision for the initiative. The Forum resulted in the "Nanjing Declaration to Promote Ethical Business Environments in the Medical Device and Biopharmaceutical Sectors (2014-2020)" in which assembled stakeholders jointly agreed to specific goals and actions, including a target to double the number of industry associations that have adopted codes of ethics between 2012 and 2015. The Nanjing Declaration was subsequently endorsed by APEC SME Ministers and APEC Ministers. The Nanjing Declaration may be accessed here: <http://www.mcprinciples.org/CMFiles/Events/NanjingDeclarationEnglish.pdf>.

In August 2015, the Philippines hosted the 2nd APEC Business for SMEs Forum, convening nearly 300 delegates from over 150 organizations (governments, industry associations and companies, healthcare professional and hospital organizations, and patient groups) across 18 APEC economies. In addition to announcing progress toward the Nanjing Declaration's goals – *including a doubling of industry association codes of ethics* – the delegates endorsed the first-ever APEC Guide to Implement Multi-Stakeholder Ethical Collaborations in the Medical Device and Biopharmaceutical Sector, setting the foundation for universal consensus framework adoption by 2020. The Guide may be accessed here: <http://mcprinciples.org/CMFiles/Resources%202015/MSGuide.pdf>.

In September 2016, Peru hosted the 3rd APEC Business Ethics for SMEs Forum in Lima, convening nearly 400 delegates from nearly 200 organizations (governments, industry associations and companies, healthcare professional and hospital organizations, and patient groups) across 18 APEC economies. In addition to the release of the first public report on industry association code implementation (measuring progress across governance, alignment, and membership adherence), Canada and Peru announced the conclusion of the world's first economy-level consensus framework agreements, bringing together dozens of health system stakeholders in a formal partnership. It was also agreed that the Business Ethics for APEC SMEs Initiative would develop guidance on ethical interactions for third party intermediaries (such as distributors) by 2017. The Forum was also the first occasion to-date where the mentor team conducting capacity-building training sessions had both industry and health care professional members.

The 4th APEC Business for SMEs Forum will take place in September 2017 in Hanoi, Viet Nam. The 5th APEC Business Ethics for SMEs Forum will take place in 2018 in Tokyo, Japan.

For information on this public-private partnership, please contact Lynn Costa (Lynn.Costa@trade.gov), Project Overseer & Senior Advisor, U.S. Department of Commerce.