

## EU-ASEAN BUSINESS COUNCIL MEETS WITH ASEAN FINANCE MINISTERS AND CENTRAL BANKERS: ASEAN ENCOURAGED TO ADOPT EU GREEN DEAL AS PART OF RECOVERY STRATEGY

- *Transition to low-carbon, sustainable growth as effective strategy for COVID-19 recovery and resilient rebuilding of ASEAN*
- *Rising costs associated with climate change will continue to impact populations and GDP across ASEAN as seas rise and extreme weather events become more commonplace<sup>1</sup>. United Nations ESCAP reported in 2019 that ASEAN is likely to miss all 17 United Nations Sustainable Development Goals (SDGs) by 2030*
- *EU and ASEAN should share best practices and promote trade and investment opportunities in green technology and sustainable finance.*

**Singapore, 30 March 2021** – The EU-ASEAN Business Council (EU-ABC), the primary voice for European business within the ASEAN region, was honoured to attend the recently concluded ASEAN Finance Ministers and Central Bank Governors Meeting (AFMGM). In a joint presentation with the ASEAN Business Advisory Council and the US-ASEAN Business Council, EU-ABC advocated action to support ASEAN’s post-pandemic recovery and how businesses can help advance the region’s sustainable growth agenda. In particular, the EU-ABC advocated for ASEAN to adopt a number of region-wide initiatives to assist with sustainable infrastructure and energy transition to support a green recovery in line with the Priority Economic Deliverables set out by Brunei for its Chairmanship of ASEAN in 2021.

As the global economy deals with the twin challenges of recovering from Covid-19 and the need to transition towards low-carbon growth, European and South-east Asian nations will face similar pressures in the coming years and the European Green Deal could be the way forward. Adapting the Green Deal in a way which works best for Southeast Asia not only addresses the shared challenges of climate change but can also set a path for sustainable transition. Multilateral cooperation between the EU and ASEAN, both public and private, to achieve global climate goals and share best practices will advance several key agendas:

- Energy Transition
- Developing a Sustainable Finance Ecosystem
- Sustainable Finance for Healthcare Systems
- Inclusive and affordable Insurance Ecosystem

**Stuart Tait, Regional Head of Commercial Banking, Asia Pacific, HSBC and Executive Board Member, EU-ABC,** said, “ASEAN’s economic recovery from the pandemic must be undertaken in a sustainable manner, and a well-designed taxonomy around sustainable finance can provide a coherent framework for attracting investment in the Southeast Asia. Such a taxonomy must be consistent with international standards; it must also be tailored for ASEAN, catering for different economies at different stages of development. Moreover, it should focus on and help promote the transition to a lower-carbon economy.”

Rising costs associated with climate change continue to impact populations and GDP across ASEAN. The financial sector specifically can play a critical role in directing investments to help cope with these environmental and socio-economic challenges. The Council encourages shifting funds towards investments that meet the socio-economic and environmental needs of emerging economies while not locking in carbon emissions for decades.

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<sup>1</sup>[https://www.unescap.org/sites/default/files/Part\\_I\\_Asia-Pacific\\_SDG\\_Progress\\_Report2019.pdf](https://www.unescap.org/sites/default/files/Part_I_Asia-Pacific_SDG_Progress_Report2019.pdf)

Beyond the environment, the EU-ABC also reiterated the need to put the well-being of ASEAN people at the center of any endeavour. In line with ASEAN's theme under the 2021 Chairmanship of Brunei, "We Care, We Prepare, We Prosper", the Council also released a publication focusing on the delivery of an inclusive, resilient, sustainable insurance system in a COVID-19 world.

Commenting on the EU-ABC's recommendations set out in the [paper](#), **Mr Donald Kanak, Chairman of Prudential Insurance Growth Markets, Chairman of Prudence Foundation & Chairman of EU-ASEAN Business Council**, said: "The pandemic has heightened people's awareness of the need for health information and protection. Creating the right policy environment for the development of an inclusive insurance ecosystem is critical for ASEAN's human development, international competitiveness and long-term growth. We at the Council appreciate the opportunity to contribute to a healthy environment for product innovation, focussing the underserved segment of societies."

### **Recommendations from EU-ABC**

#### **Provide Affordable Protection**

- Fiscal policymakers to introduce/enhance personal income and corporate tax deductions to make private insurance policies more affordable to individual and businesses to close the protection gap, promote financial inclusion and mobilise long-term capital markets for financing a green recovery.
- Policymakers to introduce strategies and provide subsidies to promote the development and adoption of Robotic Process Automation (RPA) and Robotics and Cognitive Automation (R&CA) in the insurance industry.
- Regulators to develop consistent guidelines and harmonise laws at the regional level regarding ethical issues and the use of Big Data and AI in the insurance sector.
- Legislators to introduce laws that address data privacy and governance concerns and promote and protect data flows across borders.
- Regulators to revisit restrictions on insurers' use of derivatives and investment in alternative assets in light of the low interest rate environment.

#### **Promote Digital Access to Insurance**

- Regulators to draft regional principles and guidelines on the supervision of distribution of insurance products and insurers' business transactions via digital channels.
- Regulators to introduce well-defined local rules to encourage and support insurers' innovation and to facilitate consumers' access to insurance.
- Policymakers to launch consumer education campaigns.

#### **Enable Health Wellness and Productivity**

- ASEAN to develop a regional digital health strategy by referring to WHO's National eHealth Strategy Toolkit. The strategy can outline regional goals and strategic priorities as well as implementation rules and policies on digital health.
- Governments to consider driving health outcomes by working across Ministries e.g. adopt common healthcare related KPIs that all Ministries work towards together.

**-End**



## **About the EU-ASEAN Business Council**

The EU-ASEAN Business Council (EU-ABC) is the primary and sole voice for European business covering all of the ASEAN region.

It is recognised by the European Commission and the ASEAN Secretariat and is an accredited entity under Annex 2 of the ASEAN Charter. Independent of both bodies, the Council has been established to help promote the interests of European businesses operating within ASEAN and to advocate for changes in policies and regulations which would help promote a better environment for trade and investment in and between the ASEAN region and Europe. The Council works on a sectorial and cross-industry basis to help improve the investment and trading conditions for European Businesses in the ASEAN region through influencing policy and decision makers throughout the region and in the EU, as well as acting as a platform for the exchange of information and ideas amongst its members and regional players within the ASEAN region.

The EU-ABC's membership consists of large European Multi-National Corporations and the nine European Chambers of Commerce from around Southeast Asia. The EU-ABC represents a diverse range of European industries cutting across almost every commercial sphere from car manufacturing through to financial services and including Fast Moving Consumer Goods and high-end electronics and communications. Our members all have a common interest in enhancing trade, commerce and investment between Europe and ASEAN.

The Executive Director of the EU-ASEAN Business Council is Mr Chris Humphrey, and its Chairman is Mr Donald Kanak. The Council is led by an elected Board consisting of corporate leaders representing a range of important industry sectors and representatives of the European Chambers of Commerce.

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