



# **Asean Competitiveness & Trade Facilitation: A Time For Action**

**March 2020**



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## Executive Summary

The economic benefits of delivering on the ASEAN Economic Community (AEC) have been calculated to be worth between 26% and 38% in terms of increases in GDP per capita for the ASEAN<sup>1</sup>. With increasing uncertainty in the global economy, the US-China and other trade conflicts challenging the multilateral rules-based trading system, and the current COVID-19 issues, **the urgency for ASEAN to realise the vision of the AEC and trade more with itself is greater than ever.**

Yet, **ASEAN continues to fail to deliver on its own targets for regional economic integration.** A study done by the ASEAN Prosperity Initiative in September 2019 concluded that only 18% of the necessary actions had been completed<sup>2</sup>. That shortfall is reflected in the strong likelihood of ASEAN missing its targets of reducing the cost of trade transactions by 10% by 2020 and doubling intra-ASEAN trade by 2025. As the Chairman of ASEAN BAC Malaysia recently said: **“The thing is, ASEAN is doing so well economically relative to the rest of the world that it does not think enough about how it could be doing better – or what could happen if the music stopped”**<sup>3</sup>.

If the region can establish its attractiveness as a seamless trading bloc, it will sustain equitable economic development, and enable both ASEAN and foreign businesses to integrate ASEAN in to global value chains and access the extraordinary talent in the region. That in turn will make the region the most attractive destination for investment and job creation. **But to move the economic integration agenda forward will require leaders to show new levels of political will and a sense of urgency to implement agreed measures to facilitate trade and to tackle non-tariff barriers.**

**On Non-Tariff Barriers, the very credibility of the AEC rests on the ASEAN leadership earnestly and honestly identifying and removing them.** Since 2015 non-tariff measures have increased by 60% to almost 9,500, of which over 1,257 are either Quantity Control Measures (or quotas on imports), Price Control Measures, or Contingent Trade Protective Measures<sup>4</sup>, that for the most part are distorting markets and limiting competition. These key categories of concern now make up a significant proportion of the NTMs in several ASEAN Member States.

On trade facilitation, 2020 should finally see the implementation of the ASEAN Single Window (ASW); the ASEAN Customs Transit System (ACTS); and the single Self-Certification Programme for Certificates of Origin (CoOs). These initiatives need to be followed through and expanded. Other substantive elements under the AEC that remain work-in-progress, or remain to be started, need to be moved forward.

**Without the removal of NTBs, and advances on other trade facilitative measures, intra-ASEAN trade will continue to lag, and ASEAN will risk being no more than “the sum of its parts”.**

This report, and the recommendations put forward, are the suggestions of a broad constituency of European businesses that have been operating in the region for decades, in some cases over a century. The EU-ASEAN Business Council, as an accredited organisation under Annex 2 of the ASEAN Charter, puts forward these suggestions to help the region deliver on the promises and potential of the AEC, and achieve its goals of sustainable, equitable and inclusive growth.

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<sup>1</sup> Source: Chia, Siow Yue. "The ASEAN economic community: Progress, challenges, and prospects." *A World Trade Organization for the 21st Century*. Edward Elgar Publishing, 2014.

<sup>2</sup> See the ASEAN Integration Report by the ASEAN Prosperity Initiative, Report No.3, Published September 2019



<sup>3</sup> *New Chair of ASEAN: Don't Hold Your Breath* – OpEd by Tan Sri Dr. Munir Majid, Chairman of ASEAN BAC Malaysia, published in The Edge, 27 January 2020, and reposted by CIMB ASEAN Research Institute on 2 February 2020 See: [https://www.cariasean.org/news/new-chair-of-asean-dont-hold-your-breath/#.Xl7\\_96gzblV](https://www.cariasean.org/news/new-chair-of-asean-dont-hold-your-breath/#.Xl7_96gzblV)




<sup>4</sup> Data drawn from UNCTAD TRAINS Database

## Table of Recommendations

The Table below has been coded to indicate progress made on recommendations. Many of the recommendations contained in the table have been included in previous EU-ABC papers on trade facilitation, with some dating back to 2015, and remaining unfulfilled. ☒ indicates no serious progress or not even commenced. ☑ indicates the recommendation has been implemented. ~ indicates that some action is being taken.


Recommendation	Commentary	Current Status
<b>Simplification of Certificates of Origin (CoO)</b>		
To stimulate intra-ASEAN trade for MSMEs, increase the threshold for waiver of Certificates of Origin below a certain threshold – from USD 200 to a higher level.	There continues to be no progress or substantive discussion on the idea to raise the limit below which a CoO for intra-ASEAN movements of goods would be required, despite the obvious benefits to Trade Facilitation that it would bring, especially for MSMEs. Discussion on it is seemingly being put off for the forthcoming review of ATIGA, even though that review could take several years to complete.  Abuse of Self-certification can be minimised by post-clearance audits by customs authorities.	~
<b>Tracking and transparency of customs declarations</b>		
For those ASEAN Member States that already possess an automated customs clearance environment, we recommend that import declarations are made retrievable for traders. This would enable visibility and certainty of the entire customs clearance and import process.  The EU-ABC recommends that Customs authorities continue to work on solutions that would increase transparency and availability of information.	Issue remains outstanding.	~
<b>ASEAN transit transport agreements</b>		
Develop a proposal that advances the full ratification by all Member States of the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) and the ASEAN Framework Agreement on the Facilitation of Inter-State Transport (AFAFIST), including all related Protocols. Develop a proposal that requires ASEAN Member States to provide a timeline for preparation and finalisation of national legislation that operationalises Protocol 7 of AFAFGIT as well as the ASEAN Customs Transit System (ACTS).  The EU-ABC recommends that ACTS be rolled out to the CMLV as soon as is possible and urges all ASEAN Member State to expedite ratification of all elements of AFAFGIT and AFAFIST.	We understand that the ACTS is now due to go “live” across the land linked ASEAN Member States during the course of 2020. This is most welcome, though our members will be closely watching to see if ACTS is truly implemented fully.	☑


Recommendation	Commentary	Current Status
<b>Facilitation of clearance to support MSMEs through simplified clearance for low value shipments (ASEAN Low Value Shipment Programme)</b>		
<p>Implement an ASEAN Low Value Shipment Programme, with the following key objectives:</p> <ul style="list-style-type: none"> <li>➤ Deepen ASEAN economic integration through enhanced trade facilitation</li> <li>➤ Reduce the cost of trade processing</li> <li>➤ Encourage MSMEs to be integrated into the ASEAN market</li> <li>➤ Facilitate e-commerce</li> <li>➤ Promote intra-ASEAN trade</li> <li>➤ Align with World Customs Organisation (WCO) practices</li> </ul> <p><i>Key features include:</i></p> <ul style="list-style-type: none"> <li>➤ Common ASEAN-wide Low Value Dutiable Category</li> <li>➤ Common threshold (below SDR 1000)</li> <li>➤ Applies to intra-ASEAN trade</li> <li>➤ Simplified and faster customs clearance:</li> <li>➤ Reduced data elements</li> <li>➤ ATIGA duty rates, other domestic taxes and charges to apply</li> <li>➤ Increase threshold to waive Form D (SDR1000)</li> <li>➤ Exemption for license requirements (for some items)</li> <li>➤ Periodic or account-based tax collection</li> <li>➤ Simplified procedures for tax refunds (re-exported shipments)</li> </ul>	<p>The EU-ABC, as part of the Joint Business Councils and under the auspices of the ASEAN Business Advisory Council, has supported a proposal on expedited clearances and simplified customs procedures for low value shipments. That proposal, which remains under discussion with the CCC and ATF-JCC, is specifically designed to help e-Commerce and MSMEs in ASEAN.</p> <p>We note and welcome the continuing discussions on the ASEAN Low Value Shipment Programme (ALVSP) at the ATF-JCC and the CCC. The EU-ABC will play a full and constructive role in those discussions together with other Joint Business Councils.</p> <p>There has been some significant progress on the ALVSP, following a Joint Business Council (JBC) meeting with the Customs Procedures and Trade Facilitation Working Group in late 2019 in Cambodia. It seems (though it is not confirmed) that ASEAN has agreed to implement a pathfinder programme for the ALVSP involving the Philippines, Thailand, Indonesia and Singapore. Further details of this pathfinder programme are awaited, as are further discussions on implementing it and expanding it to the full ALVSP as proposed by the JBCs.</p>	
<b>Private Sector Consultation</b>		
<p>ASEAN to set up a dialogue mechanism with the private sector on a sectoral basis (Committee or Sub-Committee level) to more effectively involve the private sector in advancing ASEAN connectivity and trade facilitation issues;</p> <p>ASEAN to consider selected representatives from the private sector to participate in Committee or Sub-Committee meetings related to connectivity and transportation on an observer basis.</p> <p>The EU-ABC also recommends that ASEAN establish a clearer and more transparent mechanism to consulting the private sector in all areas.</p>	<p>The EU-ABC welcomes our continued engagement with the ATF-JCC through the JBC mechanism. It is our view that the engagement with the private sector at this forum has improved and continues to improve. We also welcome the increased engagement with the desk officers covering various elements of the AEC at the ASEAN Secretariat.</p> <p>Engagement with the AEM, ASEAN Finance Ministers, and ASEAN Customs Directors Generals is also very valuable and welcomed, as is our participation in the CCC.</p> <p>The EU-ABC notes that private sector dialogue on the development of the ASEAN Agreement on e-Commerce was extremely limited and did not involve the Joint Business Councils. It is clear over the last 12 months that there has been an increased willingness from ASEAN</p>	

Recommendation	Commentary	Current Status
	<p>and the various working groups to engage more with the Private Sector. This is very much welcomed. We are grateful for our involvement in CPTFWG and APWG.</p> <p>Further engagement, and increased transparency, with all of the groups under ACCSQ would also be welcomed, given the importance that harmonising standards across ASEAN plays in the economic integration project. Involvement in further working level meetings would be welcomed, particularly with CCA and ACCEC.</p>	
<b>ASEAN Position on Trade Facilitation in RCEP negotiations</b>		
<p>Given ASEAN centrality in the on-going negotiations with other parties for the Regional Comprehensive Economic Partnership (RCEP) Agreement, some of the proposals made in this paper can also be taken to the RCEP negotiations to amplify the benefits for ASEAN and other RCEP countries.</p> <p>To avoid further Non-tariff barriers to trade, we recommend RCEP to include dedicated Annexes on a sectoral basis (for example, Wine and Spirits Annex, and Automotive Annex and a Toys Annex). The inclusion of such annexes is now considered common practice in international trade agreements.</p>	<p>RCEP negotiations appear to be complete, albeit without the participation of India. It is now expected that RCEP will be signed during the course of 2020, bringing the saga of the negotiations to an end. ASEAN should be congratulated for this achievement, though implementation will bring challenges as well.</p>	
<b>Ratification and Enforcement of the WTO Trade Facilitation Agreement (TFA)</b>		
<p>ASEAN Member States to ratify the WTO Agreement on Trade Facilitation. As the Agreement is now in force at the WTO, ASEAN Member States to ensure its full and complete implementation, based on the commitments submitted to the WTO.</p>	<p>ASEAN countries have already submitted their WTO TFA commitments to WTO, but some of them have indicated delayed implementation in those commitments, which is disappointing.</p> <p>TFA Committees appear to have been established in all AMS, but their functionality and involvement of the private sector is inconsistent. We will be keeping a watching brief on developments.</p>	
<b>Automated customs clearance procedures</b>		
<p>As a first step towards the implementation of NSWs, and ultimately the ASW, ASEAN Member States should commit to fully automating customs clearance procedures before the end of 2017<sup>5</sup>. This should also imply removal of all duplicate paper procedures;</p> <p>Introduce a 24/7, fully electronic payment system for duties and taxes, which would lower costs for ASEAN's business and cut</p>	<p>The ASEAN Single Window is due to go "Live" on 12 March 2020, following successful trials by the Philippines to integrate with the system in December 2019. This is a welcome development.</p> <p>However, the ASW only allows for the transmission of Form D CoOs between the AMS. It is hoped and expected that over time the ASW can handle all relevant customs information.</p>	

<sup>5</sup> This recommendation was first made in 2015, hence the 2017 time line.



Recommendation	Commentary	Current Status
<p>customs clearance times by one day, before the end of 2017.</p>	<p>We continue to recommend that ALL Customs authorities move to fully automated paperless systems and set out clear timelines for doing so.</p> <p>Expansion of NSWs to cover all processes, permits, licences, and payments/refunds will both greatly enhance confidence in Customs by traders and shippers, and also enhance the capabilities of customs authorities to analyse data to prevent fraud, deception and smuggling.</p>	
<b>Removal of Non-tariff barriers &amp; Harmonisation of Standards</b>		
<p>ASEAN Member States should seek to eliminate all Non-Tariff Barriers to Trade between them as promised in both the AEC Blueprint 2015 and the AEC Blueprint 2025.</p> <p>In order to promote trade and reduce any non-tariff measures, the governments across ASEAN should have a strong commitment to implementing and abiding by harmonised standards, or at the very least to put in place binding Mutual Recognition Agreements (MRAs) to avoid country specific requirements and different interpretations across multiple product types.</p> <p>We recommend:</p> <ol style="list-style-type: none"> <li>1) The implementation of the work plan, to a firm timeline, for the removal of the NTBs, and early involvement of Business Councils in the process of identification and prioritisation of NTBs</li> <li>2) The development of harmonised standards across the region, or binding MRAs, in multiple sectors as a means of tackling the issue of NTBs in ASEAN. This should be done to a firm and clear timeline.</li> </ol>	<p>There continues to be disappointingly slow progress on this key issue. ASEAN still has not tackled NTBs to any noticeable degree.</p> <p>We welcome the publication of the Guidelines on NTMs and in particular the elements of those guidelines that call for greater transparency, private sector dialogue and assessments on the impacts of NTMs. However, we also note that implementation of those guidelines is being delayed whilst the AMS assess their current practices and procedures and seem to be debating Principle 4 of the Guidelines that deals with the identification of NTBs. This continued prevarication by ASEAN only serves to undermine further business confidence in its ability to deliver on promises made in the AEC Blueprints and at successive ASEAN Summits.</p> <p>In order to promote trade and reduce any non-tariff measures, the governments across ASEAN should have a strong commitment to implementing and abiding by harmonised standards and testing regimes, or at the very least to put in place binding Mutual Recognition Agreements (MRAs) to avoid country specific requirements and different interpretations.</p> <p>The recognition and deployment of international standards (e.g. UNECE in the Automotive sector; Organisation of Vine and Wine (OIV) for the wine sector; and, technical dossier requirements for pharmaceutical sector) should occur in parallel with both the work of the ACCSQ and the removal of NTBs.</p> <p>Moves in this area would greatly enhance the capability of ASEAN Member States to</p>	

Recommendation	Commentary	Current Status
	<p>participate fully in Global Value Chains. We fully recognise and welcome the work that the EU's ARISE+ team is doing in the area of harmonised standards in Agri-Food and Healthcare. We also welcome the progress made by APWG on the Type Approval MRA, though note that at the time of writing, it remains unsigned.</p> <p>We continue to recommend:</p> <ol style="list-style-type: none"> <li>1) The implementation of a work plan, to a firm timeline, for the removal of the NTBs, and early involvement of Business Councils in the process of identification and prioritisation of NTBs.</li> <li>2) The development of harmonised standards across the region, or binding MRAs, in multiple sectors as a means of tackling the issue of NTBs in ASEAN. This should be done to a firm and clear timeline.</li> <li>3) There should be a systematic involvement and consultation with <u>all</u> relevant and interested private sector parties in the work undertaken by the ACCSQ and its various working groups.</li> </ol> <p>There should be a requirement that new legislation is evaluated and assessed on its necessity, usefulness and impact before it is implemented with firm enforcement of the Good Regulatory Practice as set out in the NTM Guidelines.</p> <p>We also endorse the recommendations related to NTBs set out in Table 6 on Page 23 of this paper.</p>	
<b>Mutual recognition of AEO programmes</b>		
<p>All ASEAN Member States to formulate an Authorised Economic Operator (AEO) programme, which is aligned with the WCO SAFE Framework and which includes logistics providers and customs brokers;</p> <p>Drafting of an agreement that pursues intra-ASEAN Mutual Recognition Agreements (MRA) of AEO programmes, including Authorised Transit Trader programme as set out in AFAFGIT Protocol 7.</p>	<p>It is our understanding that a working group is being established to look into this issue. This is to be welcomed. The EU-ABC remains ready to assist with this matter.</p>	



Recommendation	Commentary	Current Status
<b>Pre-arrival and post-clearance audits</b>		
<p>Introduction of pre-arrival clearance and post-clearance audits across all ASEAN Member States. By 2017<sup>6</sup>, this could be done for reliable traders, logistics companies and customs brokers, as a way of building capacity and mutual trust.</p> <p>Provide capacity building to Customs officials on conducting effective Post Clearance Audits</p>	<p>A number of ASEAN countries continue to restrict the ability to submit declarations prior to shipment arrival. This needs to be addressed.</p> <p>In addition, many ASEAN countries need to boost post clearance audit capabilities and reduce interdictions and inspections at the border.</p> <p>There has been no discernible progress on this issue and the EUABC seeks clarification on what plans ASEAN MS have in place to fully implement this.</p>	
<b>Advance rulings</b>		
<p>Introduction of advance rulings in classification, valuation and determination of rules of origin, including “in principle” issues; utilisation of Advanced Customs Agreement to eliminate the uncertainty in trade transactions and prevent dispute between Customs authorities and traders.</p> <p>Countries should follow the World Trade Organisation (WTO)’s Agreement on Customs Valuation which stipulates the use of the transaction value as the first and most important method of valuation.</p> <p>See:  <a href="https://www.wto.org/english/tratop_e/cusval/cusval_info_e.htm">https://www.wto.org/english/tratop_e/cusval/cusval_info_e.htm</a> </p> <p>Introduction of a clear dispute resolution mechanism for national and region-wide valuation and classification matters.</p>	<p>We again note that advance rulings have been introduced for some areas by some of the ASEAN Member States. We continue to urge broader and deeper implementation.</p> <p>We also suggest advanced rulings be applied ASEAN-wide, though note that for the moment, that might present some difficulties for some Customs authorities.</p> <p>However, we suggest that rulings related to the application of ATIGA, ASEAN Customs Agreement and other relevant regional Protocols could be recorded in SODs/ Reports of the concerned meetings (CPTFWG, CCC, TWG, CCA, SCAROO, ACCSQ, etc.) and that such decisions be extracted and uploaded on the ASEAN Secretariat and/or relevant business councils’ websites. As such, the private sector and relevant stakeholders may refer to and follow such decisions made for similar cases. Something similar is being done for rulings on Rules of Origin as can be seen at the following link:  <a href="https://www.asean.org/wp-content/uploads/images/archive/EE_matrix/Matrix%20of%20Decisions%20on%20ROO%20Implementation%20Issues.pdf">https://www.asean.org/wp-content/uploads/images/archive/EE_matrix/Matrix%20of%20Decisions%20on%20ROO%20Implementation%20Issues.pdf</a> </p> <p>We urge the simplest possible approach for Rules of Origin under the FTA that allows use of regional hubs and retains eligibility for preferential tariff rates as agreed in the FTA, irrespective of the fact of trans-shipment through non-party hub country, the period of customs supervised storage in the non-party hub country or the use of third party invoice.</p>	

<sup>6</sup> This recommendation was first made in 2015, hence the 2017 timeline

## ASEAN's Attractiveness: On the Wane?

### EU-ASEAN Business Sentiment Survey 2019 – Key Findings

**88%**

expect to increase trade and investment in ASEAN in the next 5 years.

**53%**

see ASEAN as the region of with the best economic opportunity

**Only 3%**

feel that ASEAN Economic Integration is progressing fast enough.

**Only 4%**

Believe that ASEAN has achieved its aim of creating a “Single Market & Production Base”.

**58%**

found that the number of Non-Tariff Barriers in ASEAN have not changed much

**77%**

believe they face unfair competition in the local/regional environment at least occasionally.

For the moment, ASEAN continues to be an attractive place for foreign businesses to invest and trade with. In our 2019 ASEAN Business Sentiment Survey, 88% of European Businesses polled said that they expected to increase their levels of trade and investment in the region over the next 5 years (up from 75% in 2018)<sup>7</sup>, and 53% said that they saw ASEAN as the global region with the best economic opportunity over the same period<sup>8</sup>. This is perhaps unsurprising as the macro picture for ASEAN continues to look promising, with average GDP growth still hovering around 5% per annum, and continuing high levels of urbanisation and rising number of middle class consumers, whilst other parts of the world continue to see significantly lower levels of growth and a number of global economic headwinds such as the US-China trade dispute and the uncertainties surrounding some geo-political developments such as Brexit. Whether the current impacts of Covid-19 have a longer-term dampening effect on the economies of ASEAN remains to be seen.

But not all in the garden is rosy. The same survey also reported higher levels of concern around unfair competitive practices in ASEAN, continuing feeling that Non-Tariff Barriers in the region are not decreasing (and over a quarter believing that they are increasing!), and decreasing perceptions on the speed of ASEAN integration (see side bar).

ASEAN continues to portray itself as a region that is open for business, providing significant growth opportunities for businesses, and excellent development benefits for its citizens. Admittedly, in its *external* trade dealings the bloc continues to be a supporter of a global rules-based trading system. Progress on the Regional Comprehensive Economic Partnership (RCEP) is testament to that, as is the participation of four of the ASEAN Member States in CPTPP, and the conclusion of FTAs with the EU by Singapore and Vietnam.

However, progress on the ASEAN Economic Community (AEC) continues to be painfully slow. The much talked about promise of a “Single Market and Production Base” as set out in the original AEC Blueprint 2015, has failed to materialise: the dream

<sup>7</sup> See 2019 ASEAN-EU Business Sentiment Survey, from the EU-ASEAN Business Council, p.9

<sup>8</sup> Ibid. p.8

remains a dream and if anything is further away than ever before. A “Highly Integrated and Cohesive Economy”, the headline aim of the AEC Blueprint 2025, with its main objective being “to facilitate the seamless movement of goods, services, investment, capital and skilled labour with ASEAN” is merely a headline, with little or no progress being made on some of the key elements that are expanded upon within the Blueprint.

How long can the region continue to rest on its laurels, riding the wave to admittedly good economic growth, without making real, tangible and deep-rooted progress on its much-vaunted economic integration? This is a central question that the leadership of the region needs to address and address rapidly, especially as GDP growth is showing signs of slipping (even before the economic impact of unexpected events such as the Covid-19 outbreak are taken into account). The OECD now sees average GDP growth in ASEAN slipping below 5% over the next few years, and it has downgraded its GDP forecasts since July 2019 for all the ASEAN Member States save for Lao PDR<sup>9</sup>.

ASEAN CELEBRATES BEING A US\$3 TRILLION ECONOMY, THE FIFTH-LARGEST IN THE WORLD. BUT THAT IS ON AN AGGREGATED BASIS. JUST IMAGINE IF IT WAS TRULY ONE ECONOMY. THE LEVERAGE OF THAT SINGLE PLATFORM WOULD GENERATE GREATER INTERNAL REGIONAL GROWTH WHILE ALSO PROPELLING ASEAN IN TRADE AND INVESTMENT WITH EXTRA-REGIONAL ECONOMIES.

Tan Sri Dr. Munir Majid, Chairman of CIMB ASEAN Research Institute

See: <https://www.rtiasean.org/news/new-chair-of-asean-dont-hold-your-breath/#.Xl4lwggzblU> published 2 February 2020.

**Table 1: ASEAN Annual GDP Growth Rates<sup>10</sup>**

ASEAN Member States, Annual % Change	2018	2019	2020	2020-2024	2013-2017
Brunei Darussalam	0.1	2.0	1.7	1.9	-1.2
Cambodia	7.5	7.0	6.8	6.7	7.1
Indonesia	5.2	5.0	5.0	5.1	5.1
Lao PDR	6.3	6.5	6.6	6.7	7.1
Malaysia	4.7	4.4	4.4	4.4	5.2
Myanmar	6.5	6.6	6.7	6.9	7.2
Philippines	6.2	5.6	6.0	6.2	6.6
Singapore	3.1	0.6	1.2	2.3	3.7
Thailand	4.1	2.7	3.0	3.2	2.8
Vietnam	7.1	6.8	6.6	6.5	6.2
ASEAN Average	5.2	4.6	4.7	4.9	5.0

Further concerns on the continued attractiveness of ASEAN can also be seen in FDI figures. The headline numbers continue to look good. As the ASEAN Investment Report 2019 noted: “ASEAN attracted an all-time high inflow of FDI in 2018, the third consecutive year of rising investment. FDI rose from \$147 billion in 2017 to \$155 billion, with four Member States reaching new records

<sup>9</sup> P.37, OECD (2019), Economic Outlook for Southeast Asia, China and India 2020: Rethinking Education for the Digital Era, OECD Publishing, Paris, <https://doi.org/10.1787/1ba6cde0-en>

<sup>10</sup> Ibid

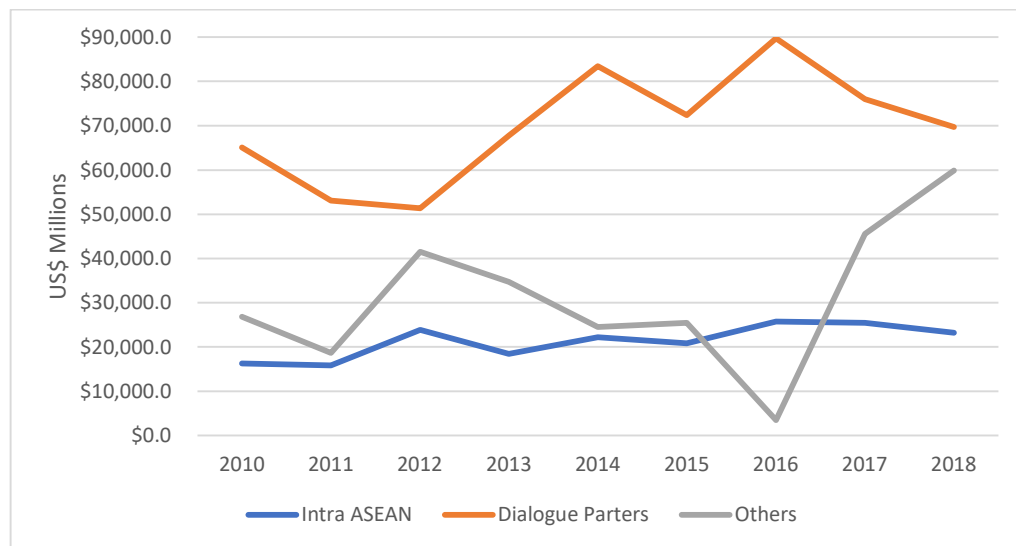


(Cambodia, Indonesia, Singapore and Viet Nam). The region’s share of global FDI inflows rose from 9.6 per cent in 2017 to 11.5 per cent last year”<sup>11</sup>.

But the headline numbers mask some underlying concerns. The 2018 numbers have been boosted by very high numbers from an “unspecified country source for reinvested earning in the Philippines”<sup>12</sup>, and the intra-ASEAN FDI numbers include an element of double-counting as they “include[s] some investment originating outside ASEAN that was channelled through Singapore”<sup>13</sup>.

There has also been a decline in the level of FDI from key ASEAN dialogue partners, with the numbers falling in 2017 and 2018 and now at levels similar to where they were in 2010<sup>14</sup>. Intra-ASEAN FDI has been relatively flat since 2010 (despite record absolute amounts in recent years) and has fallen by nearly 10% since its peak in 2016.

**Figure 1: ASEAN FDI Flows By Source<sup>15</sup>**



The fact that Singapore continues to dominate the inward FDI to ASEAN should also be a source of concern for the other ASEAN Member States, and would point to a need for them to increase their own attractiveness through the adoption of more progressive and open investment policies and regimes. Singapore, over the last decade, has attracted more than half of all the FDI coming into the region, and maintained a similar level in 2018.

<sup>11</sup> See the ASEAN Investment Report 2019, Overview, p.XVII

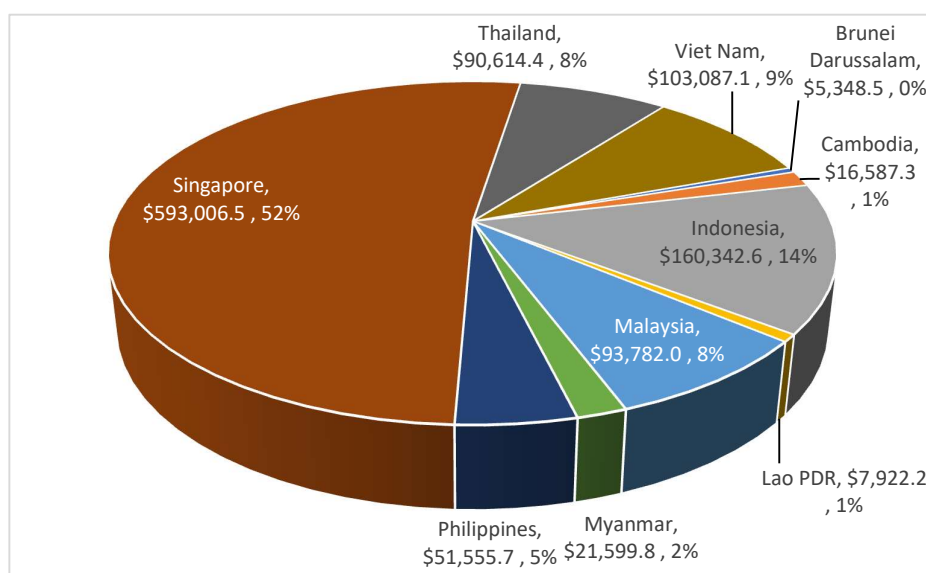
<sup>12</sup> See ASEAN Statistical Yearbook 2019, Table 7.2, P.128

<sup>13</sup> See ASEAN Investment Report 2019, Overview, p.XVIII

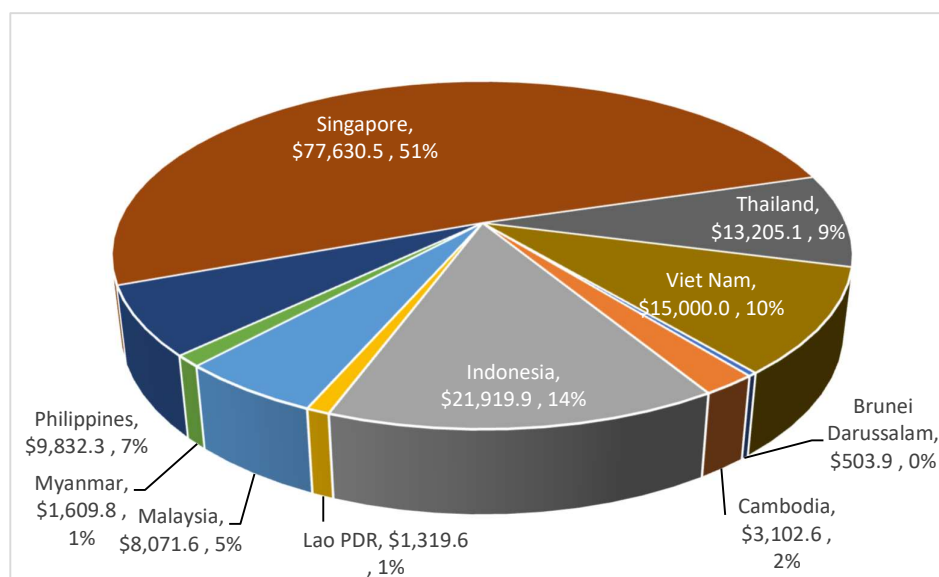
<sup>14</sup> Data from the ASEAN Statistical Yearbook 2019 indicates that FDI from Dialogue Partners in 2010 was US\$65,079.3 million, and in 2018 was US\$69,702.4 million

<sup>15</sup> Information extracted from the ASEAN Statistical Yearbook 2019, table 7.2, p.128

**Figure 2: ASEAN FDI by Host Country 2009-2018 (US\$ millions)<sup>16</sup>**



**Figure 3: ASEAN FDI By Host Country – 2018 (US\$ millions)<sup>17</sup>**



Another way of looking at how attractive ASEAN is would be to look at the rankings for its Member States in Global Competitiveness reports. The World Economic Forum publishes a report on this annually. For the main part ASEAN countries perform fairly poorly on the index, with the notable exception of Singapore, and in recent years several of them have slipped down the rankings, showing a fall in competitiveness (and therefore ease of doing business) compared to other countries. To move up the rankings the ASEAN Member States will need to make better progress on ease of doing business, cutting red tape, improving on human capital development and on investments in innovative areas.

<sup>16</sup> Information extracted from the ASEAN Statistical Yearbook 2019, table 7.1, p.127

<sup>17</sup> Ibid

**Table 2: ASEAN Rankings on Global Competitiveness<sup>18</sup>**

COUNTRY	2017	2018	2019	Overall
Brunei Darussalam	46	62	56	↑
Cambodia	94	110	106	↑
Indonesia	36	45	50	↓
Lao PDR	98	113	154	↓
Malaysia	23	25	27	↓
Myanmar	-	-	-	-
Philippines	56	56	64	↓
Singapore	3	2	1	↑
Thailand	32	38	40	↓
Viet Nam	55	77	67	↑

To maintain its attractiveness for foreign investment and to boost trade, ASEAN needs to make greater advances on its own regional economic integration agenda. Improving on the ability to market the whole of the region as a truly seamless trading bloc, and allowing companies, both foreign and domestic, to make greater use of regional value chains and access the undoubted talent in the region, as well as assist with sustainable and equitable economic development in the region, is essential. In the following sections we take a closer look at progress on some of the key elements of the ASEAN Economic Community project, and identify both where we feel that there has been some good progress, and where the region needs to take faster, more concrete, and more transparent action to help boost its attractiveness and competitiveness.

### The AEC: The Good & The Not-So-Good

There has been some progress on some elements of the 2025 AEC Blueprint. Whilst the progress is limited, it is, nevertheless, welcomed. Below, we have set out some of the elements that have been achieved or where some progress is being made for trade in goods in ASEAN. Equally, the table below also highlights areas where more progress is needed.

Whilst 2020 should finally see the ASEAN Single Window (ASW) going live in all 10 ASEAN Member States; the implementation of the ASEAN Customs Transit System (ACTS) in the land connected ASEAN Member States; and also the implementation of a single Self-Certification Programme for Certificates of Origin (CoOs), some of the more substantive elements under the AEC remain work in progress or, worse still, remain to be started. Big ticket items, such as the removal of Non-Tariff Barriers to trade and the harmonisation of standards remain elusive. It should also be borne in mind that much of this only relates to trade in goods, and not to trade in services whilst the latter is becoming an increasingly important part of the regional economy and its inter-connectiveness with the broader global economy.

<sup>18</sup> Data drawn from World Economic Forum's Global Competitiveness Reports. World Economic Forum (2017) Global Competitiveness Report, Available online: [http://www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017\\_FINAL.pdf](http://www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf). World Economic Forum (2018) Global Competitiveness Report, Available online: <http://www3.weforum.org/docs/GCR2018/05FullReport/TheGlobalCompetitivenessReport2018.pdf>. World Economic Forum (2019) Global Competitiveness Report, Available online: [http://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf)



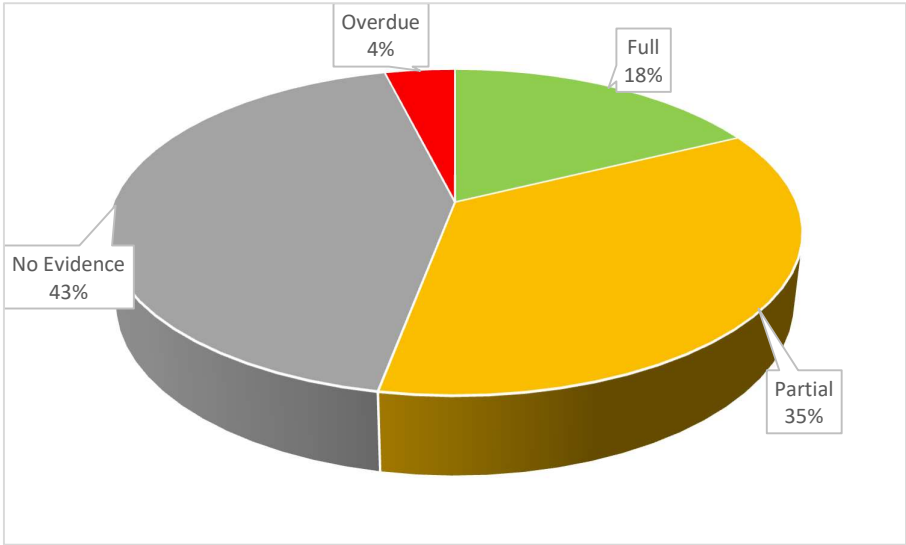
**Table 3: Progress on Key Trade in Goods Elements of the AEC**

AEC Element <sup>19</sup>	Progress To Date	Achieved?
Reduce or eliminate border and behind-the-border regulatory barriers that impede trade, so as to achieve competitive, efficient and seamless movement of goods within the region.	Tariffs are now at zero for nearly all intra-ASEAN goods movements that qualify under the preferential tariff rates set out in the ASEAN Trade in Goods Agreement (ATIGA), i.e. those goods that have the appropriate CoO. However, progress on the removal of NTBs remains scarce and what work is done is shrouded in almost complete secrecy.	
Fully roll-out National Single Windows in all ASEAN Member States and widen the scope of the ASEAN Single Window	NSWs are either in place or being put in place. Some need to increase the connections to various government departments for licence and permit approvals, but good progress is being made overall. ASW is due to go fully operational on 12 March 2020, but only for the exchange of Form D CoOs. There appear to be no plans at present to expand beyond that narrow remit.	
Cooperate on the effective operationalisation of the National and ASEAN Trade Repositories	NTRs are being established but deadlines for achieving these have been missed and a lot of information remains to be added to the NTRs. To date SPS information has been loaded for most ASEAN Member States, and work on TBTs has begun. The ATR flows from the work done on the NTR, and a searchable web portal is now live and in use but is of limited value due the non-complete population of the NTRs.	
Streamline & Simplify administrative regulatory regimes, documentary requirements, as well as import and export procedures, including customs procedures	Customs procedures remain a significant issue for traders in the region. Automation is slow. Release times at ports and borders can still be lengthy. Licence and permit requirements continue to be an issue for many. Significant and meaningful progress on this issue continues to be elusive.	
Deepen regional implementation of trade-facilitative ASEAN initiatives such as Authorised Economic Operators (AEO) programme and Self-Certification Programme	A working group under CPTFWG has been established to look at putting in place an ASEAN-Wide AEO programme, or at least MRAs across the region. Most ASEAN Member States have now put in place AEO programmes or their equivalent.  The ASEAN-wide Self Certification Programme is now due to go live during the course of 2020	 
Strengthen public-private sector co-operation, collaboration and partnership	There have been significant advances in the level of private sector consultation by ASEAN across several bodies and working groups, and by the ASEAN Secretariat. Individual Business Councils or the JBCs are now regularly invited to key meetings such as ATF-JCC, CCC, Customs DGs etc. Further invitations to other groups would be welcomed though.	
Minimise trade protection and compliance costs: accelerating work towards full elimination of non-tariff barriers; standards & conformance measures e.g. equivalence in technical regulations, standards harmonisation; streamlining procedures and reducing requirements for certificates, permits and licences	Work on eliminating NTBs remains shrouded in secrecy, with much of it being done by CCA behind closed doors. The publication of a Matrix of Cases on the ASEAN website has helped to improve understanding, though the ASEAN definition of “resolved” in this case does not equate to the private sector’s understanding. In ASEAN speak, “resolved” does not mean removed or eliminated, it merely means that the complaining nation has agreed to the take the matter offline. To date there is no clear number of NTBs eliminated. Progress on harmonisation of standards etc. is slow, but at least progressing in several areas such as Automotive, Processed Food Products etc.	 

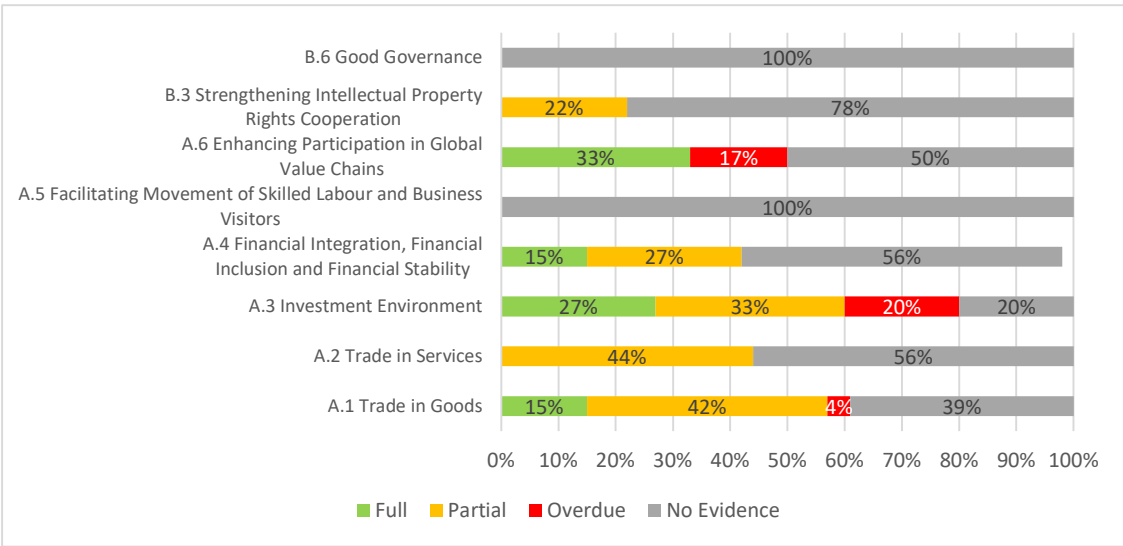
<sup>19</sup> See ASEAN: Forging Ahead Together, AEC Blueprint 2025, Section A.1

The failure to deliver on key elements of the AEC Blueprints has been further highlighted in a report from the ASEAN Prosperity Initiative, which published a review of progress on ASEAN regional integration based upon an assessment of progress made against the Consolidated Strategic Action Plan (CSAP) for implementing the AEC<sup>20</sup>. The report concluded that only 17.7% of the 647 measures identified in the CSAP had actually been completed, the remainder either work in progress, overdue, or with no evidence of action available. The same report looked at progress on a number of individual elements in the 2025 AEC Blueprint, and again showed a remarkable lack of progress even though we are now at the half-way point of the supposed implementation.

**Figure 4: Implementation of AEC 2025 Consolidated Strategic Action Plan (CSAP) (Assessment of 647 Measures)<sup>21</sup>**



**Figure 5: Implementation of AEC Measures by (Selected) Pillars<sup>22</sup>**



<sup>20</sup> See: <https://asean.org/storage/2017/02/Consolidated-Strategic-Action-Plan.pdf>

<sup>21</sup> See p.12 of the ASEAN Integration Report by the ASEAN Prosperity Initiative, Report No.3, Published September 2019.

<sup>22</sup> See p.13 of the ASEAN integration Report by the ASEAN Prosperity Initiative, Report No.3, Published September 2019.

## The Rise of Non-Tariff Measures & Non-Tariff Barriers

Despite promises and clear objectives set out in both the 2015 AEC Blueprint and the 2025 AEC Blueprint, ASEAN is making little or no progress on eliminating NTBs in the region, or on providing clearer and more transparent mechanisms for putting in place NTMs. There is little doubt the private sector is losing patience on this key element of ASEAN integration.

In 2019, the EU-ABC together with the ASEAN Business Advisory Council commissioned a report looking at the issue of Non-Tariff Barriers in ASEAN<sup>23</sup>. The report was written by independent consultants, the Asian Trade Centre, and involved interviews with a range of companies working in the Agri-food, automotive and healthcare sectors. In the report, the authors noted that “As ASEAN continues to make progress toward the goals of the Blueprint 2025, the dream of creating a highly integrated and cohesive economy with enhanced connectivity and sectoral cooperation is potentially at risk. One important source of risk comes from ASEAN’s difficulties in effectively tackling the proliferation of barriers to trade”<sup>24</sup>.

NTMs have been on the rise in ASEAN. There is no doubt about that. According to the UNCTAD TRAINS Database, as of 11 February 2020 there are some 9,495 NTMs in ASEAN – up from 5,975 in 2015<sup>25</sup>, or an increase of nearly 60%. That does not necessarily equate to an increase in NTBs however, though it does point to a likely increase in those. It should be noted, though, that not all NTMs are bad: many are necessary such as those that are aimed at improving public health and safety in areas such as food standards or safety standard for electronic goods. Others, such as measures that impose import quotas or price controls on goods and services are more likely to be unjustifiable, and indeed had been singled out in the AEC Blueprint 2025 as measures that should be prioritised for removal<sup>26</sup>.

“In spite of repeated commitment to eliminate such barriers to trade, ASEAN has struggled to identify non-tariff measures (NTMs) and non-tariff barriers (NTBs), much less assess the impact of these challenges, nor to stop the continued rise in obstacles of all sorts across the region. Failure to effectively address the increase of unjustified, difficult and costly trade issues undermines the progress towards the ASEAN Economic Community’s Blueprint goals and objectives.”

Executive Summary, Non-Tariff Barriers in ASEAN and their elimination from a business perspective, published June 2019

The increase in NTMs might just be an example of regulatory maturity from the ASEAN Member States, as regulators learn that some rules are needed in certain sectors to protect the public. But in other cases, the new NTMs are clear protectionism for domestic markets and these only serve to dampen investment and reduce competition and innovation all to the detriment of local consumers and further economic development.

<sup>23</sup> See Non-Tariff Barriers (NTBs) in ASEAN and their elimination from a business perspective - <https://www.eu-asean.eu/publications>

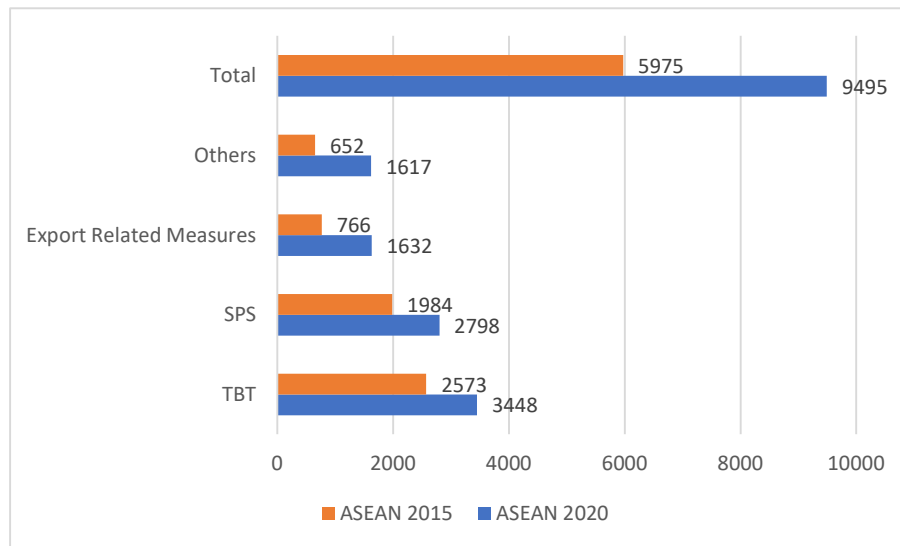
<sup>24</sup> Ibid, p.5

<sup>25</sup> 2015 Data taken from Non-Tariff Measures in ASEAN, published by ERIA and UNCTAD in April 2016 (data extracted from UNCTAD TRAINS Database). 2020 Data taken from UNCTAD TRAINS Database and extracted on 11 February 2020

<sup>26</sup> See Section A.1 paragraph 10.g.1 of the AEC Blueprint 2025

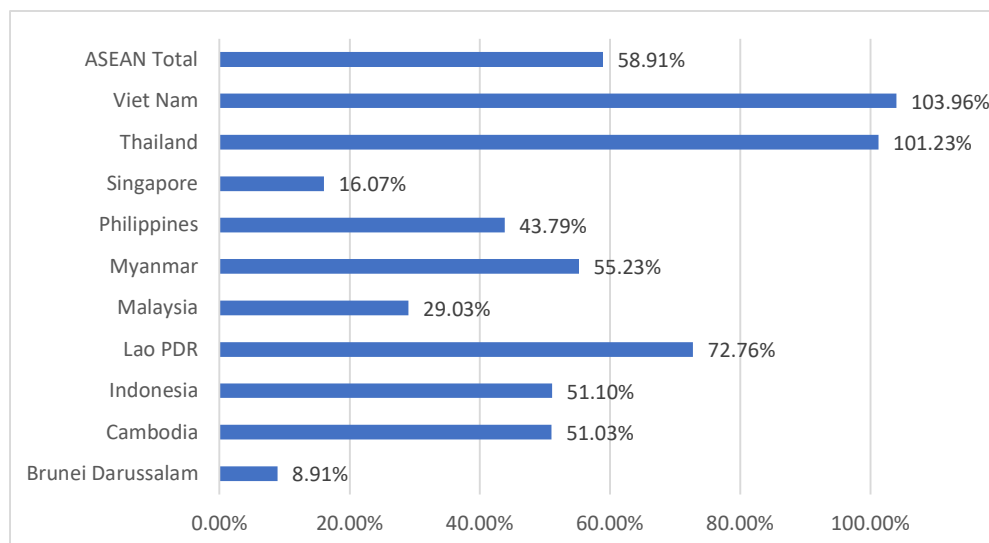


**Figure 4: Growth of ASEAN NTMs from 2015 to 2020<sup>27</sup>**



The NTMs in place in ASEAN today cover many different regulatory areas. The greatest proportion, naturally, are in Sanitary and Photo-sanitary measures (SPS) and Technical Barriers to Trade (TBTs). These tend to be measures that deal mostly with public health and safety issues in food, medicines etc. (in the case of SPS), or in safety and technical standards for goods (e.g. electronics, automobiles etc) (in the case of TBTs). Between them, the SPS and TBT measures account for around two-thirds of all measures in ASEAN. Whilst there will likely be some NTBs amongst the SPS and TBT categories, identifying NTBs conclusively in these areas tends to be more problematic.

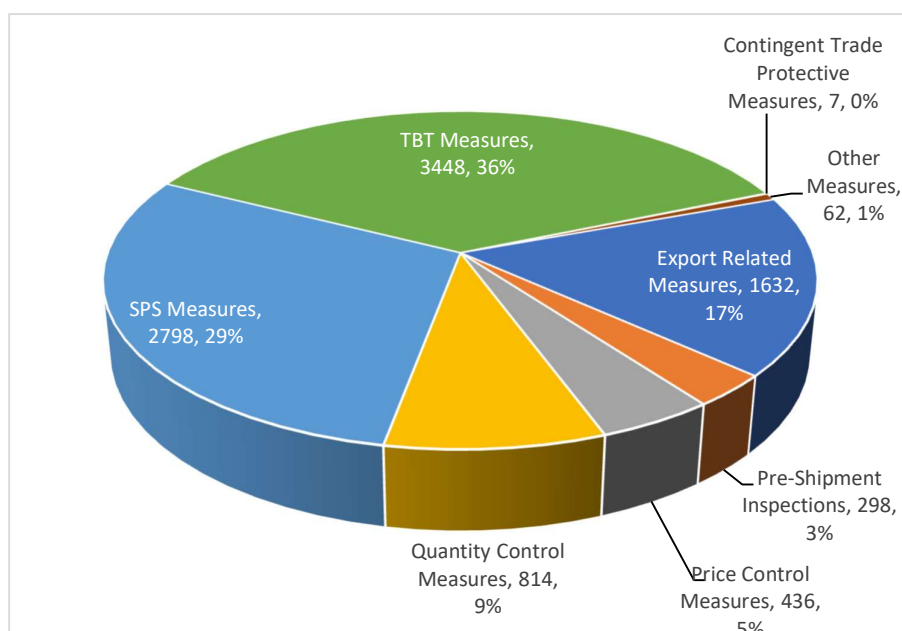
**Figure 5: Percentage Rise in NTMs in ASEAN Since 2015<sup>28</sup>**



<sup>27</sup> 2015 Data taken from Non-Tariff Measures in ASEAN, published by ERIA and UNCTAD in April 2016 (data extracted from UNCTAD TRAINS Database). 2020 Data taken from UNCTAD TRAINS Database and extracted on 11 February 2020.

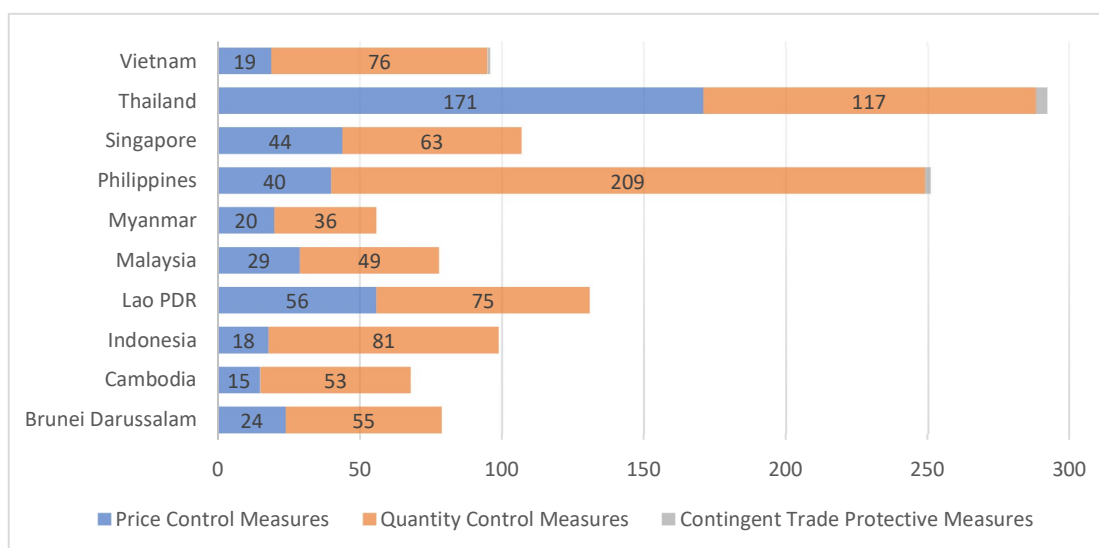
<sup>28</sup> Ibid

**Figure 6: NTMs in ASEAN By Category<sup>29</sup>**



The other measures, though, present a different picture. The instances of NTBs in areas such as Quantity Control Measures, Price Control Measures, Export Related Measures, Contingent Trade Protection Measures and Pre-Shipment Inspection Measures is likely to be very significant. Quantity Control Measures, or quotas on imports, are clearly aimed for the most part at distorting markets and limiting competition. These key categories of concern now make up a significant proportion of the NTMs in several ASEAN Member States.

**Figure 7: Selected NTM Categories by ASEAN Member States<sup>30</sup>**



<sup>29</sup> Data extracted from the UNCTAD TRAINS Database on 11 February 2020

<sup>30</sup> Data extracted from UNCTAD TRAINS Database on 11 February 2020

**Table 4: NTMs in ASEAN Member States By Category<sup>31</sup>**

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam	Total
Export Related Measures	59	117	130	172	140	64	208	69	452	221	1632
Pre-Shipment Inspections	1	1	53	18	6	6	28	0	178	7	298
Price Control Measures	24	15	18	56	29	20	40	44	171	19	436
Quantity Control Measures	55	53	81	75	49	36	209	63	117	76	814
SPS Measures	178	49	239	56	324	80	364	136	1258	114	2798
TBT Measures	245	131	431	141	372	51	359	301	1099	318	3448
Contingent Trade Protective	0	0	0	0	0	0	2	0	4	1	7
Other Measures	0	1	12	2	0	10	18	1	1	17	62
Total	562	367	964	520	920	267	1228	614	3280	773	9495

### The Promises & The Reality

A number of clear promises and objectives have been published and made by ASEAN and various ASEAN Member States when it comes to dealing with NTBs in the region. A selection of these are set out in this section. They are clear and unambiguous. It is also clear and unarguable that those objectives and promises have not yet been met. For example, and as noted above, NTBs still exist in the region and are likely to be growing.

“WE LOOKED FORWARD TO MORE INITIATIVES TO ADDRESS THE NON-TARIFF BARRIERS (NTBS) IN THE REGION THROUGH THE IMPLEMENTATION OF THE PRINCIPLES IN THE GUIDELINES OF NON-TARIFF MEASURES (NTMS)”

*CHAIRMAN’S STATEMENT AT 35<sup>TH</sup> ASEAN SUMMIT, 3 NOVEMBER 2019*

“We thus reaffirmed our resolve to continue advancing the AEC agenda to bolster regional economic resilience against external shocks, and towards targets such as the doubling of intra-ASEAN trade by 2025. “

*Chairman’s Statement at 33<sup>rd</sup> ASEAN Summit, 13<sup>th</sup> November 2018*

“We...reaffirmed our commitment to further advance the AEC initiatives to strengthen ASEAN’s collective resilience and long-term competitiveness. “

*Chairman’s Statement at 31<sup>st</sup> ASEAN Summit, 13<sup>th</sup> November 2017*

<sup>31</sup> Ibid

## Tackling NTBs in ASEAN: Measures put forward in AEC Blueprints

### **AEC Blueprint 2015:**

“Remove all NTBs by 2010 for ASEAN-5, by 2012 for the Philippines, and by 2015 with flexibilities to 2018 for CLMV, in accordance with the agreed Work Programme on Non-Tariff Barriers (NTBs) elimination”

*See: AEC Blueprint 2015, p.7, paragraph 14*

### **AEC Blueprint 2025:**

“The immediate priority is to complete the implementation of measures unfinished under the AEC Blueprint 2015 by the end-2016”

*See: AEC Blueprint 2025, Introduction, paragraph 4*

“(i) accelerate work towards the full elimination of non-tariff barriers...Measures that give rise to a trade facilitative regime in ASEAN include the following:

1. Explore imposing stringent criteria and sunset clause on trade-protective NTMs such as quotas and other quantity restrictions in imports and exports;
2. Embed good regulatory practice (GRP) in implementing domestic regulations and practices and thereby minimize compliance costs of meeting NTM requirements;
3. Strengthen coordination with private sector determining, prioritizing and minimizing the unnecessary regulatory burden of NTMs on the private sector”

*See: AEC Blueprint 2025, Section A.1, paragraph 10.g.*

The reality, despite the clear promises of action, is that little to nothing has been done to identify, let alone eliminate, NTBs in the region. ASEAN does have a mechanism for examining the issue, through the Co-ordinating Committee on ATIGA (CCA) but, largely because of the need to work through consensus, it is proving to be an ineffective body at both identifying and then removing NTBs. The system as it is today relies on one of the ASEAN Member States bringing forward a concern to CCA and then discussions taking place behind closed doors without any input or views from the private sector (which it could be argued runs contrary to a commitment made in the AEC Blueprint 2025 to “strengthen coordination with the private sector in determining, prioritising and minimising the unnecessary regulatory burden of NTMs on the private sector”<sup>32</sup>).

CCA does, periodically, publish a Matrix of Cases, that it is considering. This can be found at <https://asean.org/storage/2012/05/Matrix-of-Actual-Cases-as-of-19-Decemeber-19.pdf>. That Matrix currently lists 83 cases that have been brought before CCA by various ASEAN Member States since 2012. Of those 83 cases, it seems that 9 have been “resolved” and in another 3 the case has been dropped. From a reading of the Matrix, a number of complaints seem to have reached a dead-end with requests for justifications made, and additional information provided, on various regulations and the ASEAN Member State that has been complained against asking for the case to be closed or dropped, but with no apparent clearly agreed outcome. In no cases does it appear that an NTM has been eliminated or repealed.

None of the work undertaken by CCA on the NTB issue seems at the moment to meet the promises or objectives made in the AEC Blueprints.

In 2018, the AEM-32<sup>nd</sup> AFTA Council meeting endorsed the “Guidelines for the Implementation of ASEAN Commitments on Non-Tariff Barriers on Goods”<sup>33</sup>, which have been specifically designed to help meet some of the commitments made in the

<sup>32</sup> AEC Blueprint 2025, Section A.1, Paragraph 10.g.3

<sup>33</sup> See: [https://asean.org/storage/2018/12/Guidelines\\_for\\_the\\_Implementation\\_of\\_ASEAN\\_Commitments\\_on\\_NTMs-July\\_2018-AEM-AFTAC\\_32.pdf](https://asean.org/storage/2018/12/Guidelines_for_the_Implementation_of_ASEAN_Commitments_on_NTMs-July_2018-AEM-AFTAC_32.pdf)



“FUELLED BY LEGITIMATE PUBLIC POLICY CONCERNS, AS WELL AS ONGOING TRADE TENSIONS, THE NUMBER OF NON-TARIFF MEASURES (NTMS) HAS RISEN SIGNIFICANTLY. WHILE NTMS OFTEN SERVE IMPORTANT PUBLIC POLICY OBJECTIVES LINKED TO SUSTAINABLE DEVELOPMENT, THE TRADE COSTS ASSOCIATED WITH NTMS ARE ESTIMATED TO BE MORE THAN DOUBLE THAT OF TARIFFS.”

Asia-Pacific Trade & Investment Report 2019: Navigating Non-tariff Measures towards Sustainable Development, published by UNCTAD, 2019. p.iii

AEC Blueprint 2025 around good regulatory practice (GRP) for new rules and regulations, and to provide agreed guiding principles for implementing commitments on NTMs. Despite being endorsed in 2018, those NTM Guidelines are still not fully implemented, apparently due to ongoing discussions around Principle 4 and its interpretation and to ongoing work within ASEAN Member States to check their current processes and practices against the requirements of the NTM Guidelines.

Taken at face value the NTM Guidelines are to be welcomed. If they are fully implemented, and assuming they are fully adhered to by all ASEAN Member States in a consistent manner, they should greatly help in the process of identifying which *new* proposed NTMs are considered to be NTBs, and should also increase transparency in the development of *new* rules and regulations. However, the private sector still awaits the implementation of the Guidelines.

### A Way Ahead?

It is clear that the current situation with NTBs and NTMs is unsatisfactory, particularly to the private sector. As UNCTAD has noted, NTMs add significantly to business costs. There is little or no progress on NTB elimination within ASEAN, whilst NTMs continue to increase (and therefore it must be assumed the number of NTBs is increasing as well). What processes do exist are opaque at best, or not yet implemented.

## Guidelines for the Implementation of ASEAN Commitments on Non-Tariff Measures on Goods – Guiding Principles:

### Principle 1 – Necessity & Proportionality:

Member States need to ensure that NTMs are not more restrictive than necessary and should not create unnecessary obstacles to trade. Regulatory Impact Assessments should be conducted to see if the proposed measure would reduce imports or increase costs to the advantage of domestic entities.

### Principle 2 – Consultations & Engagement:

Member States to consult the private sector and civil organisations on the proposed measure; publish the proposed NTM and the Regulatory Impact Assessment.

### Principle 3 – Transparency:

Preparation, adoption and application of the NTM to be transparent and clear to the public and other Member States, and provide 60 days notice of the implementation of the Measure, and notify ASEAN of the Measure as well as WTO.

### Principle 4 – Non-discrimination & Impartiality:

Sets out guidelines for whether or not an NTM can be considered to be an NTB

### Principle 5 – Period Review:

Periodic reviews to be conducted including consultations and post regulatory impact analysis.

## The Non-Tariff Barriers Study

The report *Non-Tariff Barriers (NTBs) in ASEAN and their elimination from a business perspective*<sup>34</sup> was commissioned by the EU-ABC and ASEAN BAC, conducted by independent consultants (The Asian Trade Centre), and funded by the EU's EREADI programme. The report looked at trade distorting measures across several sectors – Automotive; Agri-Food (Alcoholic Beverages; Seafood; Biscuits); and, Healthcare (Pharmaceuticals and Medical Devices). Interviews were conducted with businesses operating in those sectors (including ASEAN businesses) in order to get information on rules, regulations and measures that were causing them difficulties when trading within ASEAN.

The study did not produce a complete or definitive list of NTBs in each sector, but a snap-shot of what the businesses interviewed considered to be trade distorting measures from their perspective. In this respect it did highlight part of the difficulty in the NTB debate, as what some consider to be an NTB others might consider to be a legitimate measure to support public policy interests. It did, however, identify a broad range of measures across those sectors that businesses identified as either inhibiting their ability to trade, adding undue bureaucratic burden, or unreasonable additional costs. Measures were identified in the report as being red (most onerous) through to green. The table below reflects the number of red and yellow obstacles identified by the report in each sector:

**Table 5: Trade Obstacles by Sector in NTB Study Report**

Sector	# “Red” or “Yellow” Measures
Automotive	50
Alcoholic Beverages	37
Seafood	14
Biscuits	14
Pharmaceuticals	52
Medical Devices	32

The Report made a number of recommendations to improve the current situation which the EU-ASEAN Business Council largely endorses. These recommendations are set out below. It must be said that some of these recommendations are already included in some elements of existing ASEAN work streams (such as open database of NTMs, which is being actioned, albeit slowly, through the ASEAN Trade Repository (ATR)). We have taken note of these in the table below. **The EU-ABC suggests that ASEAN consider all of these recommendations seriously and we look forward to a considered response on them.** The report has been presented to the ATF-JCC and a subsequent roundtable workshop conducted with representatives from ATF-JCC on the report and its findings.

<sup>34</sup> See [www.eu-asean.eu/publications](http://www.eu-asean.eu/publications) for a copy of the full report

**Table 6: Recommendations from the Non-Tariff Barriers Study**

Recommendation	Sub-Recommendation	Commentary
<b>Create improved systems to effectively identify and collect information on both NTMs and NTBs</b>	<ol style="list-style-type: none"> <li>1. Promote transparency in NTMs through an open database system</li> <li>2. Quickly follow and implement ASEAN's 2018 NTM Guidelines</li> <li>3. Allow for ASEAN Member State response to NTMs</li> <li>4. Streamline NTMs</li> <li>5. Ensure appropriate and effective mechanisms to allow firms to notify ASEAN about probable NTMs</li> </ol>	<ol style="list-style-type: none"> <li>1. This is being set up under the ASEAN Trade Repository, though progress is slow and at present only SBS measures are available and then not for all AMS.</li> <li>2. NTM Guidelines still not implemented</li> <li>3. In theory, should be covered by the NTM Guidelines</li> <li>4. In theory, should be covered by the NTM Guidelines</li> <li>5. The ASSIST portal should act as a mechanism for this, but it is being under utilised and it is unclear if complaints filed under it are then raised at CCA or other ASEAN bodies.</li> </ol>
<b>Effectively manage identified NTMs and reduce NTBs</b>	<ol style="list-style-type: none"> <li>1. Ensure that ASEAN has appropriate institutional bodies in place to address NTM and NTB issues</li> <li>2. Craft targeted, time bound NTB reduction commitments</li> <li>3. Set principles for regulatory reform based on international best practices</li> </ol>	<ol style="list-style-type: none"> <li>1. In theory that body should be CCA. But it is proving to be ineffective and it only meets 2 or 3 times a year. A more regularly meeting group with external experts might be a better system.</li> <li>2. Targets have been set before and ignored/missed. But if ASEAN is to be seen to be serious about the issue, it needs to commit to such targets.</li> <li>3. In theory, should be covered by the NTM Guidelines</li> </ol>
<b>Develop clear procedures and institutional frameworks for tracking the elimination of NTBs</b>	<ol style="list-style-type: none"> <li>1. Ensure that the review body has the capacity to track the elimination of NTBs</li> <li>2. Ensure that the review body has the mandate and resources to develop work plans and support the elimination of identified NTBs</li> </ol>	<ol style="list-style-type: none"> <li>1. CCA is clearly lacking in this capacity, and the situation will only worsen once CCA undertakes work on the review of ATIGA.</li> <li>2. This will require additional resources and a degree of "stick wielding" capability for any new or existing body, but it is a must if NTB elimination is to be taken seriously.</li> </ol>
<b>Continue to ensure the harmonisation of standards and build capacity of ASEAN Member States and firms to meet those standards</b>	<ol style="list-style-type: none"> <li>1. Continue to effectively implement programmes using international standards; MRAs especially for conformity assessment; and accreditation of testing facilities</li> <li>2. Include appropriate follow up mechanisms to ensure compliance</li> <li>3. Ensure process in place to engage and hold accountable non-compliant members</li> </ol>	<ol style="list-style-type: none"> <li>1. ACCSQ and its various working groups are meant to be developing harmonised standards, at accepted international norms, across multiple sectors in ASEAN. Progress is very slow in some sectors, despite outside assistance from donor programmes such as the EU's ARISE+.</li> <li>2. ASEAN lacks such mechanisms at the moment</li> <li>3. In theory, ASEAN has the Enhanced Dispute Resolution Mechanism that should be the tool to ensure that non-compliant members are held accountable, but it has never been used.</li> </ol>
<b>Strengthen work with the private sector to identify, eliminate and conduct compliance reviews of NTBs across the region</b>	<ol style="list-style-type: none"> <li>1. Invite the private sector to participate in ASEAN working committees</li> <li>2. Work with the private sector to identify areas of most significant cost to help prioritise efforts</li> </ol>	<ol style="list-style-type: none"> <li>1. Whilst the private sector is now more regularly invited to various ASEAN working groups, such invitations are normally limited to short presentation sessions of an hour or less. They do not involve full participation.</li> <li>2. There has been no effort by ASEAN to undertake this task</li> </ol>

## Promotion of ASSIST

One tool that companies in the region already have to flag up concerns about possible NTBs is the ASSIST Portal (see <https://assist.asean.org>). The portal has been specifically designed to allow companies, or trade associations or law firms registered in ASEAN, to file complaints relating to measures and seek clarifications or modifications to those measures from the ASEAN Member State concerned. However, for a variety of reasons the portal has been underutilised with filings since its launch in 2015 barely entering double figures. Reasons for the lack of filings range from poor knowledge of its existence through to companies not using it for fear of retribution from the ASEAN Member State being complained against. Nevertheless, it is a valuable tool that should be used more.

The EU-ABC has been urging its members to make better use of ASSIST to raise concerns, and there is now a more concerted effort by ASEAN BAC and other Business Councils to heighten awareness of ASSIST. It is our view that the ASEAN Member States, having chosen to have the tool set up, should also be doing more to encourage traders in their countries to utilise the tool more as well. It is also important that cases raised through ASSIST are brought to the attention of CCA for their consideration and oversight of the process.

For the moment, responses on ASSIST are not binding and the responses received to date have been of varying quality – ranging from detailed explanations and justifications at one extreme, through to short one paragraph responses that say little more than requesting a meeting to discuss the concern raised. The latter is clearly not good enough as Member States are meant to provide full responses and suggested remedies. Unless, and until, responses are of better quality it is unlikely that the private sector will place much faith in the system. But equally, the private sector needs to make use of the tool.

## Complete the ASEAN Trade Repository

The ASEAN Trade Repository (<https://atr.asean.org>) is another potentially excellent tool that is being developed by the EU funded ARISE+ programme. The ATR stems from a commitment made in the ASEAN Trade in Goods Agreement (see Article 13) which was signed in 2009. Once completed, and it is seriously behind schedule because the ASEAN Member States are being slow at populating the information to the portal, the ATR will contain a list of all Non-Tariff Measures in the region, including copies of the measures themselves. The Portal has a search function enabling enterprises to look up specific measures in individual countries that affect the products they are seeking to export to those countries. For the moment only SPS measures are being loaded up (and not for all ASEAN Member States). TBT Measures should follow during the course of 2020, with the remaining measures following on from that.

For the ATR to be truly useful to businesses operating across ASEAN, it is essential that all measures are loaded to the system as soon as possible, and the EU-ABC strongly recommends that all ASEAN Member States recommit to this process, and agree to complete the full and complete population of all measures to it by the end of 2020.

## Implement Non-Tariff Measure Guidelines

As mentioned above, the NTM Guidelines should provide a clearer scope for assessing the need for new trade measures, and a clear method for consulting on them. However, as also noted above, the Guidelines, despite being “agreed” in 2018, are still not fully implemented. It is essential that ASEAN Leaders, Economic Ministers, and Finance Ministers insist that these Guidelines are implemented without further delay. Equally important is that all ASEAN Member States then fully abide by the Guidelines and the Good Regulatory Practice procedures laid out in them, including full consultation with the private sector on proposed new measures and the production of regulatory impact assessments.



## Intra-ASEAN Trade & The Need For More Action On Trade Facilitation

In 2017 ASEAN made two clear commitments on trade in the region<sup>35</sup>:

1. To reduce the cost of trade transaction by 10% by 2020; and,
2. To double intra-ASEAN Trade by 2025

Neither target is likely to be met.

For the former, work on a baseline study (known as the ASEAN Seamless Trade Facilitation Indicators) has been ongoing since 2018 and is still not published. The private sector was consulted on it once, briefly, at a Co-ordinating Committee for Customs meeting in Bandung, Indonesia, in 2018. The ASTFI is meant to provide the baseline measurement against which progress can be quantified towards achieving the 10% reduction in the cost of trade transaction, by taking into account, *inter alia*, matters such as time-release for goods at ports of entry. Without the publication of this baseline, and some validation of it, it will be impossible to know whether or not the target has been hit. It is also worth noting that ASEAN now views the commitment as being at end of 2020, and not “by 2020”.

The target of doubling intra-ASEAN trade by 2025 is a noble and important one. ASEAN does not trade enough with itself. At the moment, intra-ASEAN trade is only about 23% of total ASEAN trade. This compares poorly with intra-EU trade (around 63% of total EU trade), and even trade within the NAFTA/USMCA region (around 40%). Given current global economic trends, and increasing uncertainty in the global trading order flowing from matters such as the US-China trade conflict, US attitudes to the multilateral rules-based trading system, and general economic slowdown (even before the current issues with the Covid-19 virus), the need for ASEAN to trade more with itself to help insulate the region against such issues was obvious. It is commendable that the ASEAN Member States recognised this and therefore set the target above. But, as we examine below, increasing intra-ASEAN trade is proving very difficult to achieve.

### Intra-ASEAN Trade Refuses To Grow

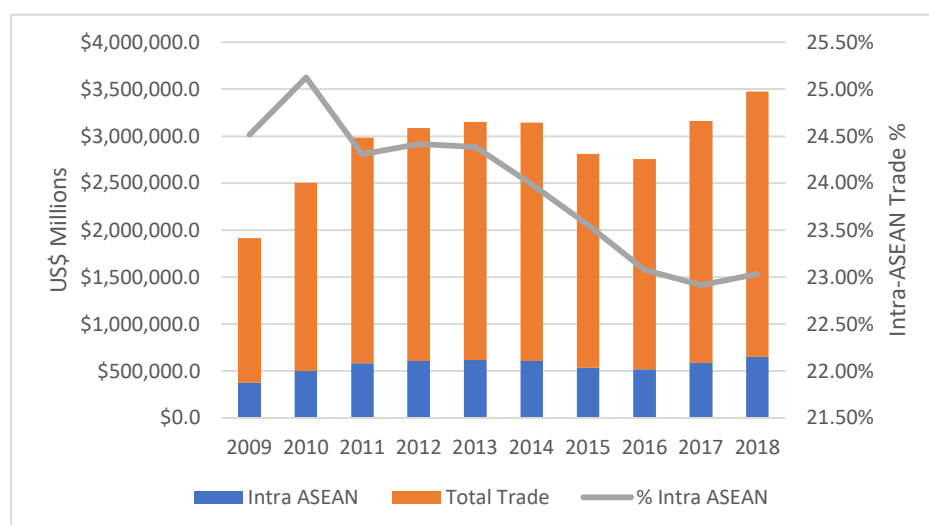
Intra-ASEAN Trade has remained stubbornly low over the last decade – only briefly reaching 25% of total ASEAN Trade in 2010, and then steadily declined as a percentage of total ever since. In 2017 it fell below 23%. Whilst total ASEAN trade has been on a significant upward trend from a low in 2009 (and a subsequent dip in 2015) and has reached a new record high in 2018 of US\$2.825 trillion, growth rates in Intra-ASEAN trade have lagged. Since 2010, when the region rebounded from the global economic slump, Intra-ASEAN Trade has grown at an average of 6.9% each year; for its part, extra-ASEAN trade has grown at an average of close to 8%, so the gap between the two has been widening. Indeed, between 2009 and 2018 the difference between extra-ASEAN trade and intra-ASEAN trade has almost doubled<sup>36</sup>.

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<sup>35</sup> See paragraph 53 of the Chairman’s Statement at the 31<sup>st</sup> ASEAN Leaders Summit, November 2017

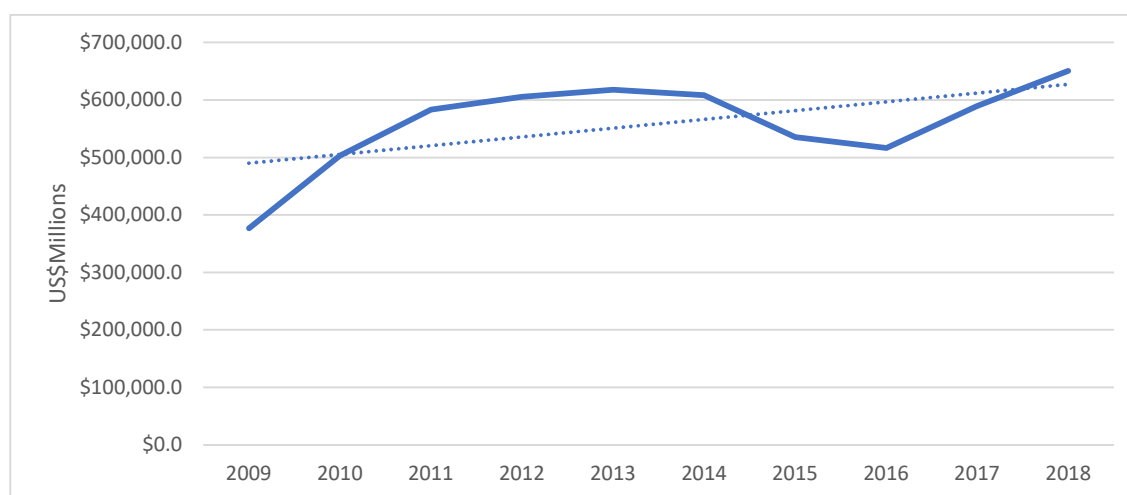
<sup>36</sup> According data in the ASEAN Statistical Yearbook 2019, the difference between extra-ASEAN trade and intra-ASEAN trade in 2009 was US\$783,838 million, but by 2018 it had grown to US\$1,523,805 million.

**Figure 8: ASEAN Trade 2009 to 2018<sup>37</sup>**



That does not mean that intra-ASEAN trade has not grown. It has. Intra-ASEAN trade in 2018 stood at US\$650,729 million, an increase of US\$61,555 million over 2017 (or a 10.5% increase) and the highest level, in absolute terms, over the ten-year period from 2009. But this increase is not enough to put the region on track to meet the target of doubling intra-ASEAN trade by 2025. Figure 10 below shows the volatile nature of intra-ASEAN trade in recent years. There was a huge spike in growth in 2010 off the back of the economic downturn that was experienced in 2009, but from there through to 2017 growth rates fell off, and even moved to negative in 2014, 2015 and 2016. Recovery from those low levels was to be expected.

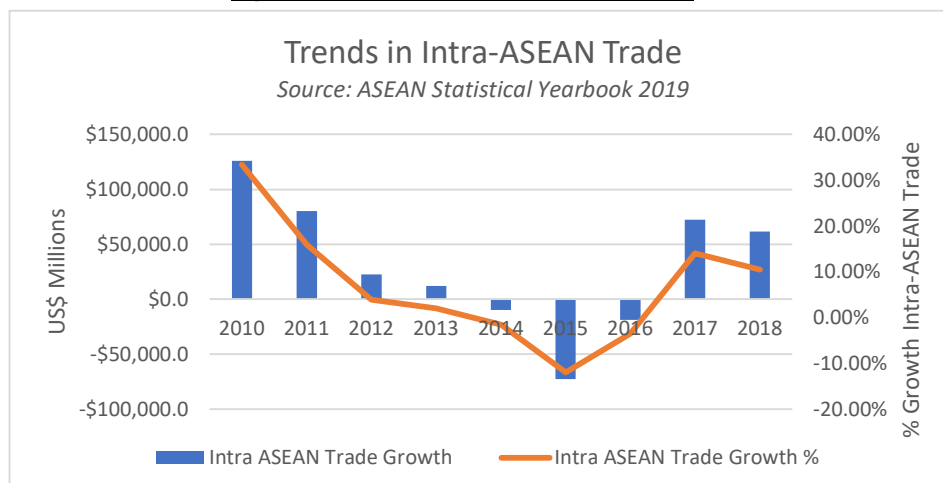
**Figure 9: Intra-ASEAN Trade Levels 2009 to 2018<sup>38</sup>**



<sup>37</sup> Data extracted from the ASEAN Statistical Yearbook 2019, Table 5.1 pp.55-56

<sup>38</sup> Data extracted from ASEAN Statistical Yearbook 2019

**Figure 10: Trends in Intra-ASEAN Trade<sup>39</sup>**



The real issue comes when looking ahead to 2025. To achieve the target of a doubling of intra-ASEAN (assuming that target is measured on the absolute trade volumes rather than a doubling of the percentage of total ASEAN trade), intra-ASEAN trade will need to reach US\$1.178 trillion<sup>40</sup>. The average growth rate since 2009 has been 6.96%. Extrapolating out that figure through to 2025 would put intra-ASEAN trade at US\$1.042 trillion, way short of the target (see Figure 11 below). Much work is needed to help Intra-ASEAN trade grow faster. And it is critical for the region's ongoing economic development that intra-ASEAN trade does grow faster. As the region continues to develop economically, it should be natural that the companies operating in ASEAN look to trade more with the region, but that has not been the trend so far.

**Figure 11: Intra-ASEAN Trade Growth Target**



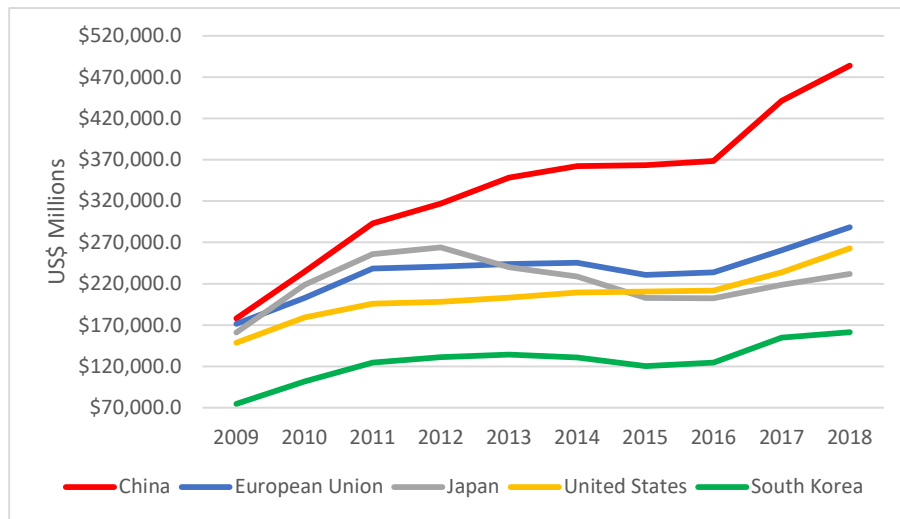
Total ASEAN trade continues to grow faster than intra-ASEAN trade, and continues to outstrip global averages for trade growth. Trade with key partners, particularly China, has accelerated away – this

<sup>39</sup> Ibid

<sup>40</sup> According to the ASEAN Statistical Yearbook 2019, intra-ASEAN trade in 2017 was US\$589,172.9 million.

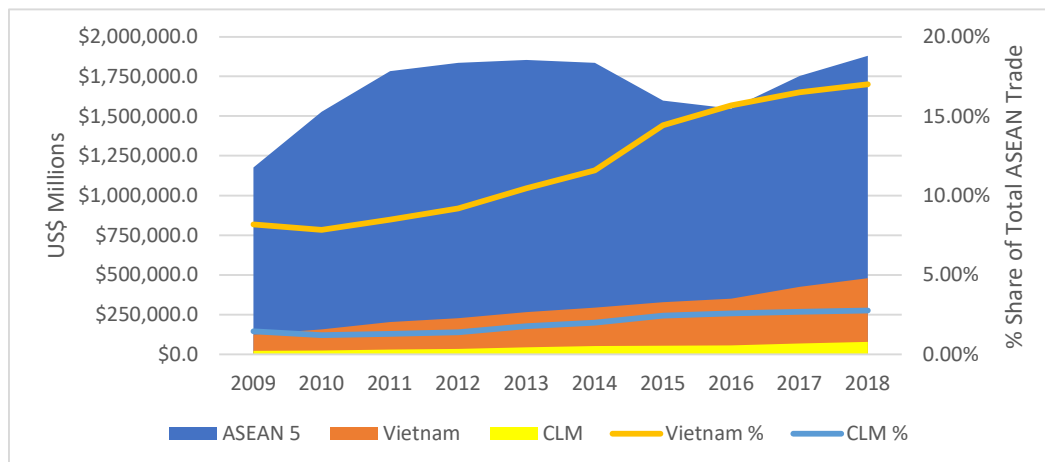
demonstrates an increase interconnectedness with the broader global economy, but also an increased dependence on China. Given recent global economic headwinds, and exceptional events such as Covid-19, increased dependency on a single trading partner begins to look increasingly unwise. Enhancing trade between the ASEAN Member States and diversifying further the ratios of the amount of trade with various partners would seem to be more prudent.

**Figure 12: ASEAN's Trade with the Top 5 Trading Partners<sup>41</sup>**



Equally important for the region is ensuring that all countries in ASEAN grow their trade levels, and that the smaller countries have the capability and opportunity to grow quicker. This, though, is not happening. Whilst Vietnam has seen an extraordinary increase in the level of trade in goods over the last 10 years (recording nearly 300% growth since 2009), and seeing its share of total ASEAN trade increase from 8% in 2019 to 17% in 2018, the CLM remains a very small element of total ASEAN trade, accounting today for less than 3% of total ASEAN trade. For ASEAN to achieve truly equitable and sustainable economic growth, this imbalance needs to be addressed and more done to help integrate the CLM economies into the broader regional, and through that the global, economy.

**Figure 13: ASEAN Trade: ASEAN 5 v Vietnam v CLM<sup>42</sup>**



<sup>41</sup> Data extracted from the ASEAN Statistical Yearbook 2019

<sup>42</sup> Data extracted from the ASEAN Statistical Yearbook 2019



## Actions Needed

In order to achieve its goals of boosting intra-ASEAN Trade and driving forward the ASEAN economic integration project, ASEAN needs to move faster in a number of trade facilitative areas and remove obstacles to trade beyond the NTM and NTB issues covered above. Some areas where ASEAN could do more, and do more faster, are set out below.

### ASEAN Low Value Shipment Programme

This is a programme designed by the JBCs to help ease the movement of low value shipments around ASEAN with the specific aim of assisting MSMEs. The key features of the programme are set out below, but essentially the aim of it is to reduce customs bureaucracy for MSMEs and expedite clearances, whilst ensuring revenue neutrality for the customs authorities in the region. We are pleased to report that, after several years of pushing the case for the ALVSP, the JBCs have now secured an agreement from ASEAN to look at a pathfinder project for it involving Thailand, the Philippines, Indonesia and Singapore. Whilst that pathfinder scheme will only cover the first four elements of the key features of the programme, we welcome this as an important first step and something that would surely help the ability of MSMEs and others to move low value shipments around ASEAN.

We look forward to working closely with these countries and the CPTFWG on the implementation of the pathfinder and hopefully the extension of the programme to all ASEAN Member States and all elements of the key features.

**Figure 13: ASEAN Low Value Shipment Programme – Key Features**

<b>ALVSP – Key Features (and applicable ASEAN Bodies)</b>	
Common ASEAN Wide Low Value Dutiable Category	Trade
Common ASEAN Wide Threshold Below SDR 1000	Trade, Finance
Applies to Intra-ASEAN Trade ATIGA duty rates and domestic charges apply	Trade, Finance
Simplified Customs Clearance Procedures (Data elements, Consolidated Declarations, Pre-Arrival)	Customs
Increase Threshold to Waive Form D (SDR1000)	Trade, Finance
Exemption from Import Licenses	Trade, OGAs
Account Based or Periodic Payment of Duties	Finance
Simplified Procedures for Duty Refunds for Re-exports	Finance

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### Modernising Customs Procedures In ASEAN

One of the biggest roadblocks to increasing trade within ASEAN is Customs. Customs procedures across the region can be lengthy, cumbersome, and unpredictable. 56% of respondents to our 2019 EU ASEAN Business Sentiment Survey reported that they found customs procedures in ASEAN to be overly burdensome, complex and inefficient, with a further 41% feeling that they were acceptable but could be improved. There are a number of areas where improvements and simplification can be made to customs.

## ASEAN-Wide Self Certification & Certificates of Origin– A Welcome Development But More Needed

The move from running two pilot programmes, with different elements and functionality, to a single programme for self-certification for CoOs is extremely welcomed. The new single system, which will allow traders and shippers to self-certify that their goods meet the Rules of Origin for intra-ASEAN movements, is due to go operational during the course of 2020. We look forward to working with ASEAN on the promotion of this programme.

A further improvement in this area that ASEAN could easily make is to raise the threshold below which a CoO is not needed. Presently, the threshold is US\$200. Raising it would remove a level of bureaucracy, particularly for MSMEs, and instantly reduce the cost of trade transaction for them. Obtaining a CoO, particularly for low value items, can be expensive, complex and time consuming – but it is necessary if a trader or shipper wishes to ensure that their goods qualify for preferential tariff rates. Raising the threshold below which the CoO is no longer needed would automatically relieve traders and shippers of this burdensome requirement.

ASEAN will likely review the CoO waiver threshold as part of its review of ATIGA which is due to commence later this year. However, that review will likely take several years to complete, whereas this is a move that Ministers in the region could quickly and easily mandate. The EU-ABC urges them to do so as a means of showing urgent and concrete action to help boost intra-ASEAN trade and support small businesses.

## ASEAN Single Window – Expansion Required

After years of development and delay, the ASEAN Single Window (ASW) is finally going “live” this year. It will be fully operational for the exchange of Form D’s (CoOs) from 12<sup>th</sup> March 2020. This is a good development. But work on the ASW should not stop there. It needs to be expanded to cover documents related to customs clearances, including the exchange of e-Phyto certificate and ASEAN Customs Declaration Document (ACDD). The eventual aim should be to establish it as a single portal for all customs declarations for all goods movements within ASEAN which allows for the application and exchange of all relevant documentation, licenses and permits as part of moves towards fully automated customs procedures.

## Increased Automation – Bring Customs into The Modern World

For many of the customs authorities across ASEAN, the completion of hard copy forms with original signatures is still a requirement. In an age of increased digitisation, this makes Customs look like a backward organisation. Admittedly, moving to fully automated systems would not be inexpensive, but it will bring several advantages to both governments and traders and shippers.

For governments it would mean increased control, reduction in revenue leakage, and the ability to use data analytics more readily to assist with risk and fraud management. For shippers and traders, it removes a human element in dealing with customs, provides easier access and increased certainty, lowers costs through reduced manpower needs, and allows for easier and clearer data management.

Elements that any automated systems should include would be:

- **Automated Clearances:** ASEAN Member States should commit to fully automating customs clearance procedures and the removal of all duplicate paper procedures.
- **Electronic Payments/Refunds:** Customs authorities to move to fully automated paperless systems and set out clear timelines for doing so, with on line payments for taxes and duties (and for any necessary refunds which would lower costs for ASEAN’s business and cut customs clearance times by one day).
- **Create common format for customs data entry** to increase clarity for manifest data

- **Real Time Tracking:** For those ASEAN Member States that already possess an automated customs clearance environment, import declarations are to be made retrievable for traders. This would enable visibility and certainty of the entire customs clearance and import process.

The EU-ABC urges all Customs authorities to move quickly to fully automate their systems and do so in a way that would allow easier connectivity between their respective systems and those of the other ASEAN Member States.

### Advanced Rulings: The Case For Publication

Advance rulings are essential for traders and shippers when dealing with Customs authorities. They allow for greater certainty when dealing with often complex issues, allowing the shipper or trader to be certain that their declarations are correct and to avoid subsequent issues with post-clearance audits.

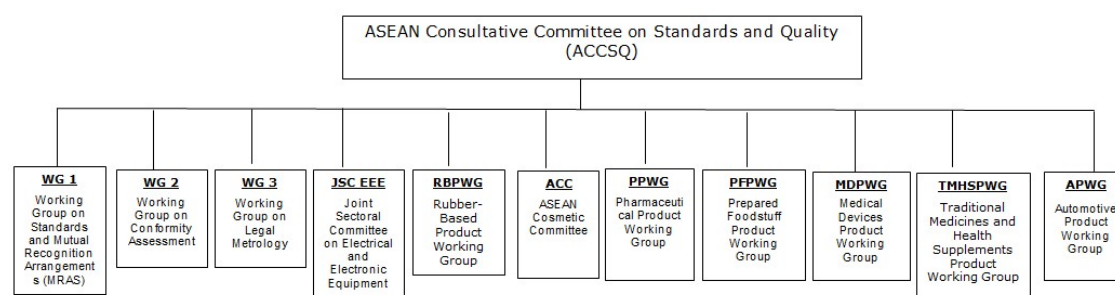
For some time now, the EU-ABC and other Business Councils have been urging ASEAN Member States to implement advance rulings on origin determination and to have a clear dispute resolution mechanism for national and region-wide valuation and classification matters for companies to use with governments. It is very important for clarity and certainty that rulings apply ASEAN-wide. At the moment it is not unusual for different ASEAN Member States to reach different views on essentially the same subject, or indeed for individual ASEAN Member States to give different answers to the same question themselves!

ASEAN has committed to have advance rulings on classification and valuation to be implemented by all ASEAN Member States. In addition, work is underway to review and update the advance rulings on the tariff classification best practice guide and the ASEAN Customs Valuation Guide. However, on advance rulings on origin determination three of the ASEAN Member States, namely Indonesia, Malaysia and Myanmar have not yet implemented the process.

Some ASEAN-wide advance rulings on RoO issues have been published on the ASEAN website<sup>43</sup> but this only includes matters presented to the Standing Committee for ASEAN Rules of Origin (SCAROO) and then only up to 2014. Ideally ASEAN should commit to a searchable and fully update database for all advance rulings to be published by all ASEAN Member States (with any necessary commercially sensitive information redacted). This would allow companies to have a greater degree of certainty when shipping goods across the region.

### Standards & Conformance Issues

One key area for driving increased economic integration across the region, leading eventually to a truly seamless single market and production base, is the harmonisation of standards in ASEAN. Work has been ongoing under the auspices of the ACCSQ, with various working groups across different sectors looking either to put in place mutual recognition agreements (MRAs) or to truly move domestic legislation in each ASEAN member state to achieve real regulatory alignment around accepted international norms.



<sup>43</sup> See: [https://www.asean.org/wp-content/uploads/images/archive/EE\\_matrix/Matrix%20of%20Decisions%20on%20ROO%20Implementation%20Issues.pdf](https://www.asean.org/wp-content/uploads/images/archive/EE_matrix/Matrix%20of%20Decisions%20on%20ROO%20Implementation%20Issues.pdf)

This is one of the most important workstreams that ASEAN has under the AEC. It should, in theory, mean that for all products there would be one set of regulatory standards to follow, and the need to only go through one set of testing regimes. The reality is proving to be very different, with progress very slow in most of the working groups (a case in point being the APWG, where a MRA on Type Approval for automotive products has been negotiated over several years and is only now due for signing, with implementation likely to take some time).

The working groups under ACCSQ only tend to meet twice a year. The EU-ABC suggests that work in this area should be sped up, and that the private sector should have a greater role to play in each of the working groups. We urge Ministers to instruct that ACCSQ and its various working groups accelerate work on harmonising standards across all sectors.

### ASEAN Customs Transit System

In a triumph for persistence over intransigence, the ASEAN Customs Transit System is due to be fully operational in 2020 for all of the land connected ASEAN Member States (Singapore, Malaysia, Thailand, Myanmar, Cambodia, Lao PDR and Vietnam). This is a significant and much welcomed development which should speed up over-land movements of goods between these countries and remove additional costs and complications from having to change trucks and clear customs even when just transiting through a country. ACTS has been set up following work done by the EU funded ARISE and ARISE+ projects.

The EU-ABC looks forward to the full implementation of ACTS.



## About The EU-ASEAN Business Council

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

It is recognised by both 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 trade and investment between Europe and the ASEAN region. As such, 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 conducts its activities through a series of advocacy groups focused on particular industry sectors and cross-industry issues. These groups, usually chaired by a multi-national corporation, draw on the views of the entire membership of the EU-ABC as well as the relevant committees from our European Chamber of Commerce membership, allowing the EU-ABC to reflect the views and concerns of European business in general. Groups cover, amongst other areas, Insurance, Automotive, IPR & Illicit Trade, Customs & Trade Facilitation, Healthcare and FMCG.

### Executive Board

The EU-ABC is overseen by an elected Executive Board consisting of corporate leaders representing a range of important industry sectors and representatives of the European Chambers of Commerce in South East Asia. The Executive Board is led by its Chairman Mr Donald Kanak.

### Membership

The EU-ABC's membership consists of large European Multi-National Corporations and the nine European Chambers of Commerce from around South East Asia. As such, 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. All our members have a common interest in enhancing trade, commerce and investment between Europe and ASEAN.

#### Membership



To find out more about the benefits of Membership and how to join the EU-ASEAN Business Council please either visit [www.eu-asean.eu](http://www.eu-asean.eu) or write to [info@eu-asean.eu](mailto:info@eu-asean.eu).







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