

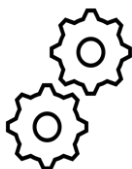
Why ASEAN



GDP per capita expected to grow annually at 4% (similar to US) to **USD6,600 in 2030**.



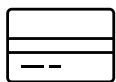
Despite COVID-19, ASEAN is expected to bounce back at about **5-6%** growth in the near term.



Total ASEAN FDI Inflows **overtook China** in 2017 and continues to do so (2019).



World's fastest-growing online markets, with an Internet user base of over 350 million users



Online transactions expected to **double by 73 billion by 2023**.



YoY increase in e-commerce revenue by **55% from 2019 to 2020** (11B to 17B)

Webinar – ASEAN in 2021: Prospects and Challenges

As vaccination programmes around the world start to pick up, questions are being asked about ASEAN's plans to bounce back from the COVID-19 pandemic, the new opportunities that lie ahead, and the obstacles that the region would face.

On 28 January 2021, the EU-ASEAN Business Council (EU-ABC) hosted a webinar titled: "ASEAN in 2021: Prospects and Challenges" with over 300 attendees. The session featured views from Professor Tommy Koh, Ambassador-at-Large, Ministry of Foreign Affairs, Singapore, The Hon. Ar. Yanty Rahman, Chairman of the ASEAN Business Advisory Council, Brunei, Adam Schwarz, Founding Partner and CEO of Asia Group Advisors, Joseph Incalcaterra, Chief Economist for ASEAN, HSBC, with Chris Humphrey, Executive Director for the EU-ABC, moderating the session.

Future of ASEAN is Optimistic, but it has its Challenges

The panellists expressed their optimism that ASEAN will experience a strong economic recovery in 2021 with a GDP growth forecast at around 5.2%. This is because ASEAN continues to be a highly competitive production base that is located near East Asia, a region that is experiencing strong economic recovery compared to other parts of the world.

ASEAN's competitiveness stems from the huge economic potential of the Regional Comprehensive Economic Partnership (RCEP), the rising trend of the China +1 supply chain strategy, the boom in demand for semiconductor production due to increased work-from-home requirements, the increased investment opportunities for electric vehicle production, and a concerted effort by ASEAN governments to attract investments through domestic institutional reforms.

However, ASEAN still faces significant challenges that it must overcome. Such challenges include the increased risk of fiscal deficits due to COVID-19 stimulus packages, greater labour shortages due to COVID-19 infections, delays to economic recovery plans due to new outbreaks, and ensuring a comprehensive and smooth vaccination programme that would likely be fully achieved in 2022.

Brunei's Plans for its 2021 ASEAN Chairmanship

Brunei's plans for its ASEAN Chairmanship consists of three strategic areas. They are (1) Recovery, (2) Digitalisation, and (3) Sustainability.

Under Recovery, Brunei aims to conduct a comprehensive assessment to streamline Non-Tariff Measures, develop a post-COVID-19 recovery plan for ASEAN's tourism sector, kickstart negotiations for a possible ASEAN-Canada Free Trade Agreement, and launch the ASEAN Investment Facilitation Framework.

Under Digitalisation, Brunei aims to develop a work plan for the implementation of the ASEAN agreement on e-commerce and develop a regional action plan for the implementation of the norms that dictate responsible state behaviour in the cyberspace.

Under Sustainability, Brunei aims to enhance the food, agricultural, and forestry standards and competitiveness of small producers and Micro, Small, and Medium Enterprises through the ASEAN framework. Brunei also aims to work on the ASEAN joint declaration on energy transition and energy security, develop a framework for a circular economy for the ASEAN Economic Community, and craft key recommendations in responding to the opportunities and challenges arising from the regional cooperation in the minerals sector.

Avoiding Vaccine-Nationalism

With tensions rising between the UK and EU over the distribution of AstraZeneca vaccines, the panellists discussed how ASEAN can avoid vaccine-nationalism and speed up vaccination programmes in the region. Prof. Koh stressed, particularly to his fellow Singaporeans, that promoting regional vaccination is of each ASEAN member's national interest from both a public health and an economic perspective. Schwarz highlighted that despite the strong efforts from all ASEAN members to secure a vaccine, some members still do not have the fiscal capacity to do so. YB Yanty echoed similar sentiments from Prof. Koh and Schwarz, stressing that it is in the benefit for the whole of ASEAN if all members states had successful vaccination programmes. This would be the key to ASEAN's post-COVID-19 recovery.