

Working together to come out stronger, more integrated, better able to respond to challenges

By Donald Kanak

WE live in extraordinary times. We have seen a health emergency become a global economic emergency, creating unprecedented stress on families, companies and communities. We should count ourselves lucky, however, to live in a region that holds so much promise, energy and fortitude.

Despite the ongoing pandemic emergency, Asean is, I believe, well placed to emerge stronger, and better equipped to seize the opportunities of the future if the 10 member states work together to take clear and decisive steps.

The EU-Asean Business Council, the European business body for South-east Asia that I chair, and the Asean Business Advisory Council (Asean-BAC) recently issued a joint statement calling for such an approach.

The joint statement also called for a high-level Special Commission tasked by the Asean leaders to recommend a recovery plan. That plan that would improve the response to the current and future pandemics and ensure that Asean comes out stronger, more integrated and better able to respond to global challenges and opportunities. That commission would seek input from various stakeholders, including a special business advisory board.

There are several reasons why Asean and foreign businesses called for a Special Commission. Post-pandemic economic recovery will not be easy, and the "new normal" will require novel approaches. Covid-19 is going to alter how we live, work and play and, therefore, transform our economies and the nature of competition.

We will see increased digitisation and automation of everything. We will see significant shifts in supply chains as businesses look to diversify the sources of essential components away from single locations. We will see an urgent and more profound need to reskill workers and adapt current educational practices for the new paradigms. Environmental sustainability, inclusion and shared prosperity will be paramount. With the right enabling environment, Asean should be well-placed to succeed, given its young and adaptable population, high urbanisation rates, high levels of Internet penetration and its geographical location.

The big stimulus packages that governments in the region have introduced will soften the Covid-19's economic blow, but they will not by themselves



Designing and building quality infrastructure, and financing and insuring it, are areas of expertise where European industry can help create jobs in the short term and provide a foundation for sustained growth that will benefit Asean and its citizens. PHOTO: AFP

position the Asean member states to compete in the "new normal". Some needed actions are basic, such as defining and easing the movement of essential goods and services, or setting clear and effective rules to reopen travel and tourism across the region. Other actions require bolder steps.

To equip Asean's talented work force and unleash the power of 650 million consumers, Asean needs to accelerate progress on the promised "single market and production base".

That means finally taking action to eliminate non-tariff barriers (NTB) to trade in the region, starting with price control restrictions, import quotas, and ownership and control restrictions. It means quickly harmonising standards across the broadest possible range of sectors. It means simplifying and automating customs procedures. It means establishing regional rules on the flow of data to enable the growth of the digital economy.

Taking actions like those will position Asean for a faster and more sustainable recovery. They will make the region a preferred location for new investment as companies everywhere

are looking to diversify away from over reliance on a single source of supply to make supply chains more resilient. With those supply chains will come advanced manufacturing, research and development and higher paying jobs which in turn will fuel the growth of consumer markets.

Another way to accelerate the post-Covid-19 recovery and put to good use global liquidity at record low interest rates, is investment in sustainable infrastructure. It will create jobs in the short term and provide a foundation for sustained growth that will benefit Asean and its citizens for generations to come.

Designing and building quality infrastructure, and financing and insuring it, are areas of expertise where European industry can help. This includes both traditional physical infrastructure – roads, railways, airports, power systems – and digital infrastructure, including smart cities and digital health.

Different regions in the world will compete fiercely to position themselves as the ideal places for investment, innovation and relocation of supply chains. Asean will need to be at the top of its game. A lot of hard work is needed. Governments can-

not, and need not, do this alone. The private sector has a role to play and stands ready. The power of Asean's 10 member states and all stakeholders working together will be a force for good for its citizens and the world.

■ The writer is the chairman of the EU-Asean Business Council.

■ The full version of this opinion piece can be found on aseanbusiness.sg. The Asean-BAC presented its Outline for Asean Action to Asean economic ministers who met on Thursday. They identified six short-term priority measures recommended by businesses, comprising: increasing the mass testing of Covid-19 within the region; eliminating NTBs and minimising NTMs; customs automation and streamlining; concluding the signing of RCEP within a short time frame; easing the flow of essential goods and services intra-Asean; and the inclusion of the private sector in government discussions within the region, including Asean-BAC and its partners. The presentation was supported by 20 business councils and associations from across the world, and is the first release of over 300 recommendations to be put forward.