



2020 EU-ASEAN BUSINESS SENTIMENT SURVEY



EU-ASEAN
BUSINESS COUNCIL

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ABOUT THE EU-ASEAN BUSINESS SENTIMENT SURVEY

This publication is the sixth edition of the annual EU-ASEAN Business Sentiment Survey. It aims to serve as a barometer for European business outlook in Southeast Asia regarding key issues such as macro-economic conditions, the policy and regulatory environment, and the development of bilateral and multilateral free trade agreements in the region. This survey is produced with the support of the European Chambers of Commerce throughout the ASEAN member states. You may also view this report and previous editions online at: www.eu-asean.eu/publications.

ACKNOWLEDGEMENTS

The EU-ASEAN Business Council would like to express our thanks to the following partners for their help in conducting and distributing this annual survey to European businesses around the region:

- European Chamber of Commerce in Cambodia (EuroCham Cambodia)
- European Chamber of Commerce in Indonesia (EuroCham Indonesia)
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- European Chamber of Commerce in Malaysia (EuroCham Malaysia)
- European Chamber of Commerce in Myanmar (EuroCham Myanmar)
- European Chamber of Commerce in the Philippines (ECCP)
- European Chamber of Commerce, Singapore (EuroCham Singapore)
- European Association for Business and Commerce, Thailand (EABC Thailand)
- European Chamber of Commerce in Vietnam (EuroCham Vietnam)



We would like to thank all of the respondents who took the time and effort to provide their invaluable opinion and responses for this edition of the Survey. All responses will be kept confidential. This publication would also not be possible with the help of our research assistants, Ms Anjalie Thomas and Ms Sarah Poh. For further enquiries, please email info@eu-asean.eu

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The EU-ASEAN Business Council (EU-ABC) is pleased to release its sixth Business Sentiment Survey. This year's Survey shows continued optimism from European businesses towards ASEAN, but this year's optimism is more tempered. Whilst reduced optimism is

to be expected in light of COVID-19's economic consequences, many of the underlying concerns expressed by respondents point to fundamental issues that ASEAN must address to emerge from the current crisis ready to compete for trade, investment and jobs. These responses should be a source of concern for the region's leadership.

This year, we asked questions about the pandemic's impact on business activities and European businesses' view on ASEAN governments' responses. Overall, ASEAN countries scored well, with Thailand, Vietnam and Singapore scoring particularly high. Nearly three-quarters of respondents said that they expected to expand their levels of trade and investment in ASEAN over the next 5 years but the percentage that expect increased profits is significantly down on previous years.

ASEAN is still seen as the region of best economic opportunity by our respondents. However, the

number saying this has fallen. Furthermore, there is increased interest in other regions such as North Asia and Africa. Respondents are looking to source more from ASEAN post-pandemic but are also considering Europe and China at the same time. ASEAN faces stiff competition from other regions / countries for investment and creation of new manufacturing jobs.

Respondents express concerns on the pace of progress on ASEAN economic integration. Fewer respondents believe the AEC has made a positive impact on their business in the region, and just 2% feel that AEC is progressing fast enough.

More now than ever, ASEAN needs to drive forward economic integration, sweep away the intra-ASEAN barriers to trade and investment, and make itself the go-to region for post-pandemic supply chain redistribution. There have been repeated statements by Leaders and Economic Ministers and strong encouragement from the ASEAN Business Advisory Council and the Joint Business Councils to tackle issues around the complex and overly burdensome customs procedures, the prevalence of non-tariff barriers to trade, and protectionism in the region. It is unclear, however, whether enough progress will be made soon enough to contribute to a strong and sustainable recovery, attract global supply chains and create the jobs of the future. This is a huge challenge and opportunity for leadership.

Finally, I would like to express my sincere thanks to all of you who took the time to complete this Survey, and to our colleagues at the various European Chambers of Commerce who helped us in obtaining responses.

2020 KEY FINDINGS

Current Business Environment and Outlook: COVID-19 impact is noticeable

↓ **73%** of respondents expect to expand current levels of trade and investment in ASEAN in the next 5 years (2019 – 84%).

↓ **39%** of respondents project an increase in ASEAN profits in 2020 (2019 – 60%).

↓ **53%** of respondents see ASEAN as the region with the best economic opportunity (2019 – 63%).

COVID-19 Impact: ASEAN is not the only location being considered for supply chain relocations

47% of respondents are considering reorganising supply chains moving forward

Regions / countries receiving the most votes as possible future sources of more supply: **ASEAN** (34%), **Europe** (20%) and **China** (17%)

Trade Agreements: Widespread support

↑ **98%** of respondents would like the EU to accelerate FTA negotiations with ASEAN and its members (2019 – 96%).

↑ **81%** of respondents believe that an EU-ASEAN FTA would deliver more advantages than a series of bilateral FTAs (2019 – 78%).

↑ **71%** of respondents believe the EU should pursue an EU-ASEAN FTA now before bilateral FTAs are concluded (2019 – 67%).

ASEAN Regional and Domestic Policy Frameworks: ASEAN integration stalled

↓ Only **2%** of respondents feel that ASEAN Economic Integration is progressing fast enough (2019 – 6%).

↓ Only **14%** of respondents found that the number of NTBs to trade in ASEAN have decreased (2019 – 17%).

↓ Only **4%** of respondents find ASEAN customs procedures speedy and efficient (2019 – 8%).

↓ **62%** of respondents that use supply chains reported facing many barriers to the efficient use of supply chains in ASEAN (2019 – 78%).

Government Consultation and Competition Issues: more private sector engagement needed

↓ **50%** of respondents feel they are often or sometimes consulted by national governments in ASEAN (2019 – 74%).

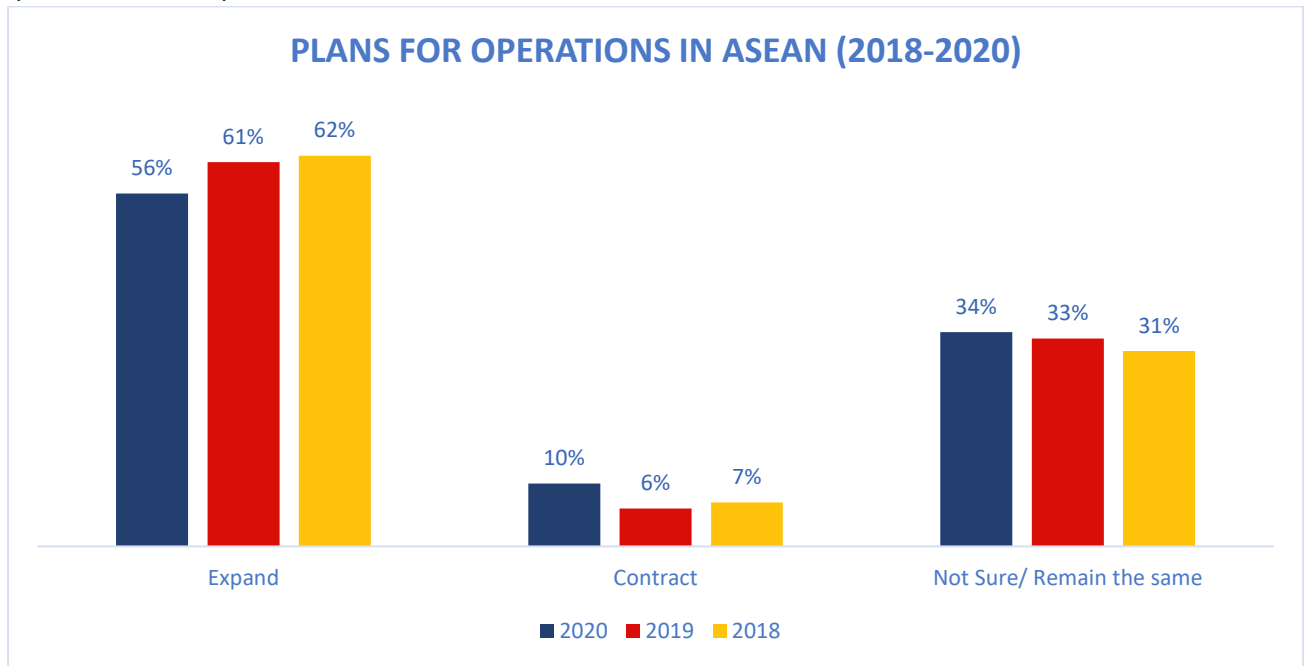
↓ **36%** of respondents believe they face unfair competition in the local/regional environment at least occasionally (2019 – 70%).

↓ **25%** of respondents feel that there is adequate EU engagement (2019 – 39%).

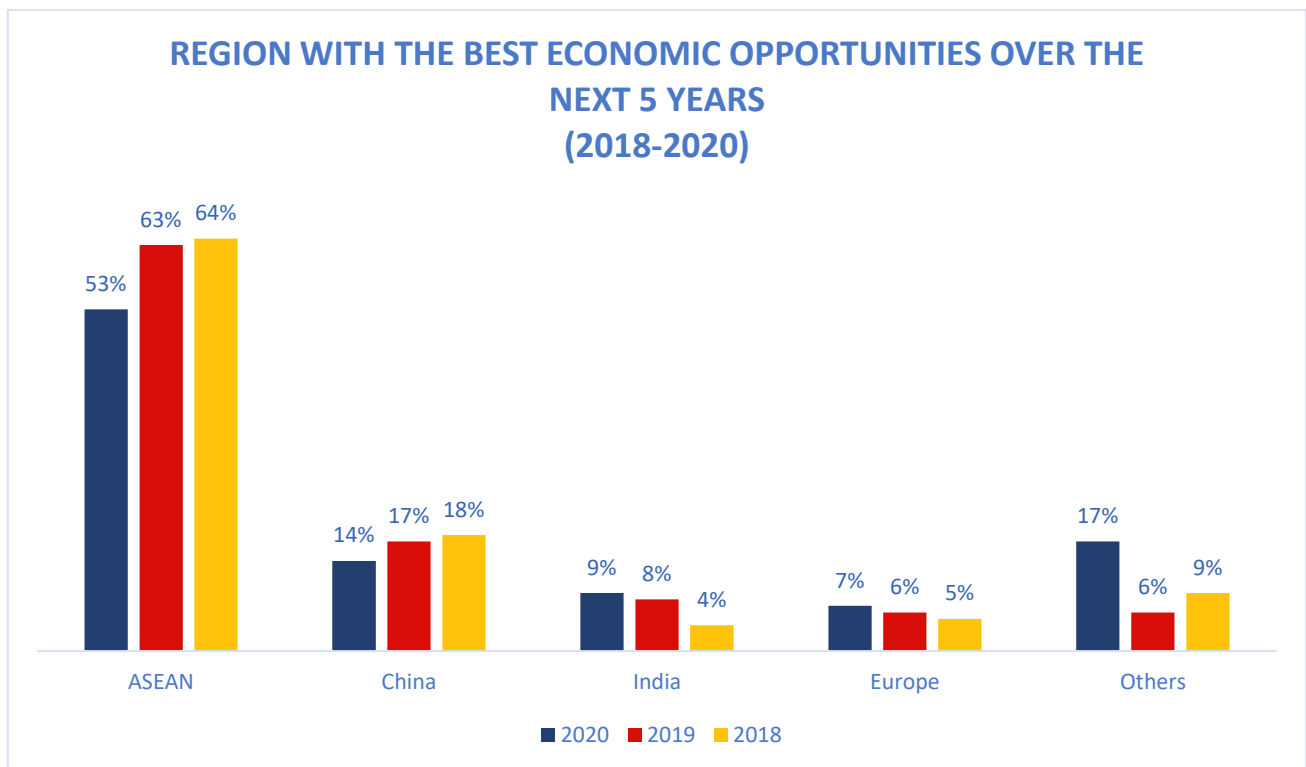


2018-2020 TRENDS FOR KEY FINDINGS

European business optimism in ASEAN decreased¹

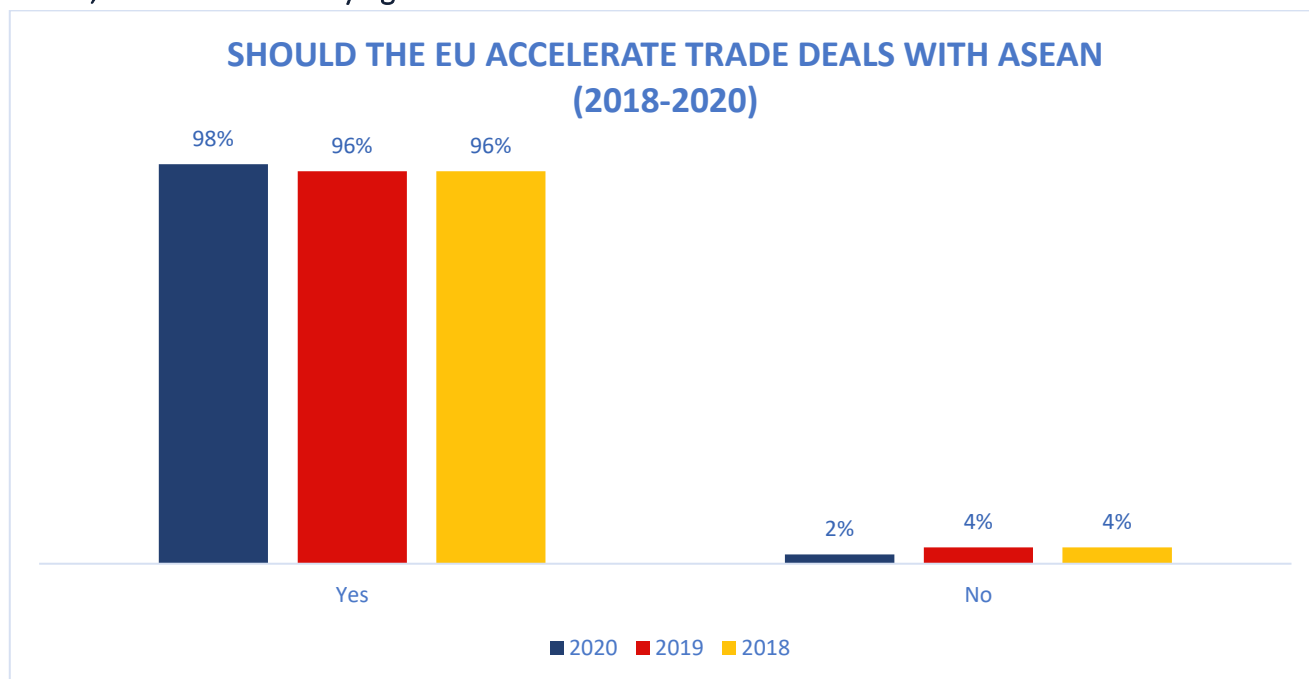


European businesses consistently see ASEAN as the region with the best economic opportunity but less so now. India and regions such as Africa and North Asia gained ground.

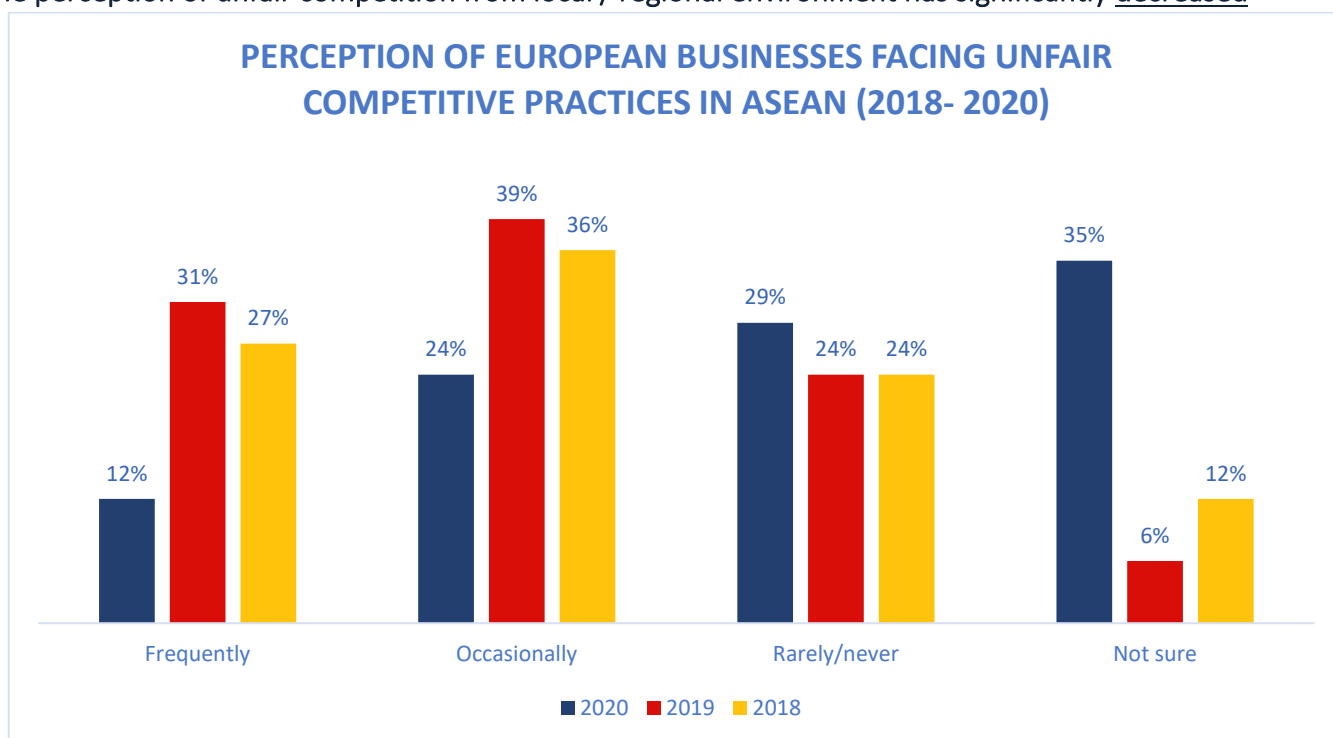


¹ In the 2018 and 2019 editions, “not sure” and “remain the same” were presented as separate options while the 2020 edition presented them as a combined option

Vast majority of European businesses would like the EU to accelerate FTA negotiations with ASEAN and its members, with even more saying so now.



The perception of unfair competition from local / regional environment has significantly decreased



COVID-19: BUSINESS IMPACTS AND VIEWS ON RESPONSES

Given the ongoing COVID-19 pandemic and the impact that the resulting lockdowns have had on trade and investment globally, we asked our respondents several questions around the response of governments in the

ASEAN region to the pandemic and the likely impact on their businesses. Our Survey was conducted during the height of the pandemic and lockdowns in the region.

Key Findings

49% of respondents think that ASEAN does not have appropriate resources to deal with pandemics such as COVID-19.

92% of respondents report a negative impact on their businesses in ASEAN due to COVID-19.

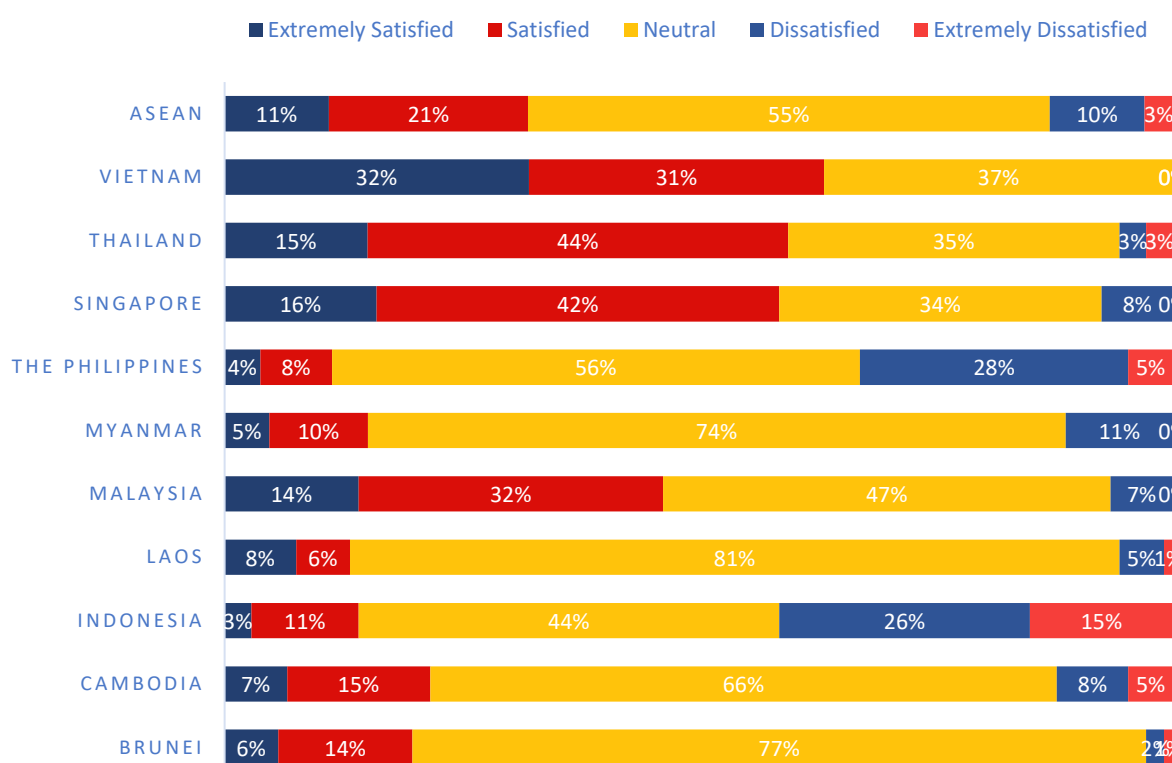
47% have been forced to re-evaluate their long-term business strategy in ASEAN due to COVID-19.

44% of respondents will be down-playing or downsizing investments in ASEAN in the short to medium term due to COVID-19.

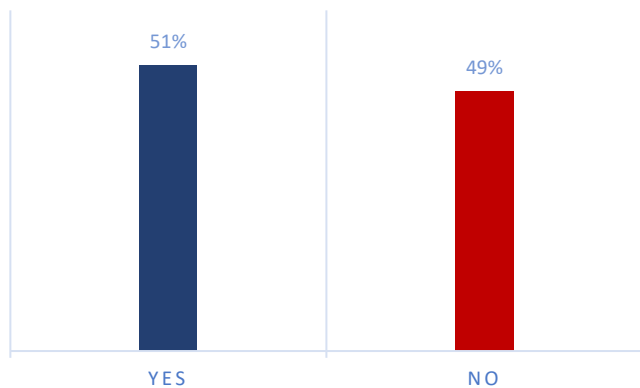
47% of respondents have been led to consider re-organising their supply chains going forward due to the outbreak.

32% are extremely satisfied or satisfied with COVID-19 response. Only 3 ASEAN Member States (Singapore, Vietnam and Thailand) have a majority satisfaction level.

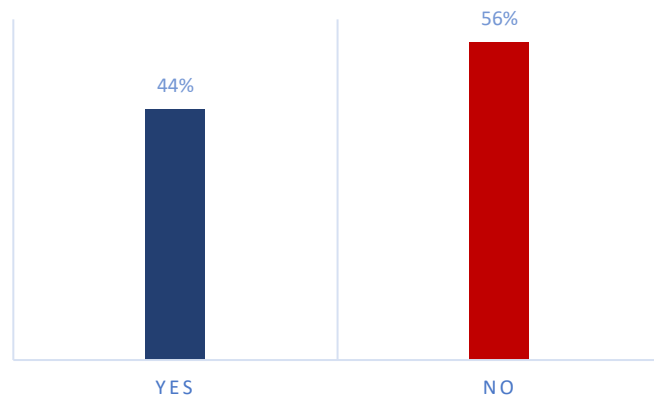
LEVEL OF SATISFACTION WITH COVID-19 RESPONSE



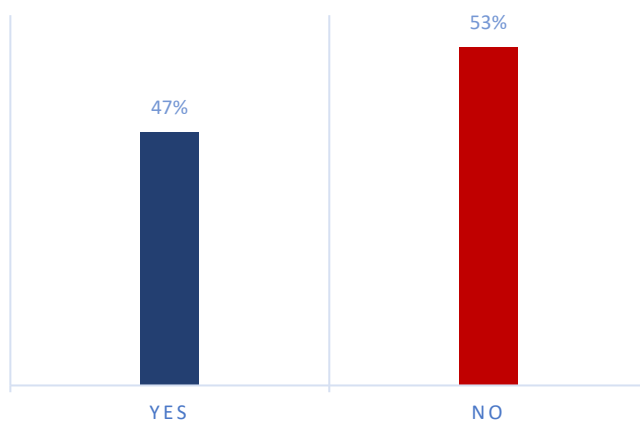
**DO YOU THINK ASEAN HAS
THE APPROPRIATE
MEASURES TO DEAL WITH
PANDEMICS SUCH AS COVID-
19?**



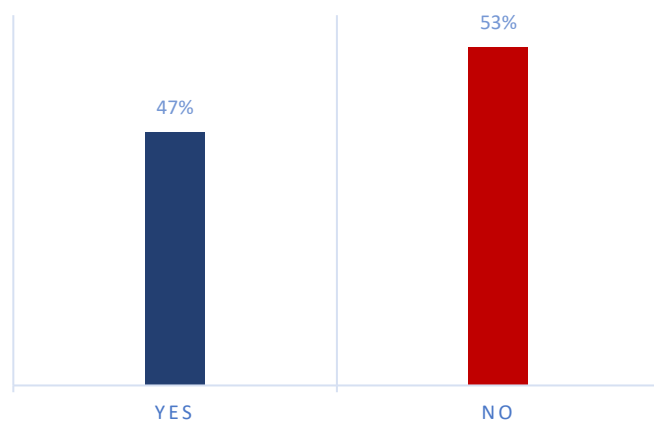
**WILL COVID-19 LEAD YOU TO
DOWN PLAY OR DOWN SIZE
INVESTMENTS IN ASEAN IN
THE SHORT TO MEDIUM
TERM?**



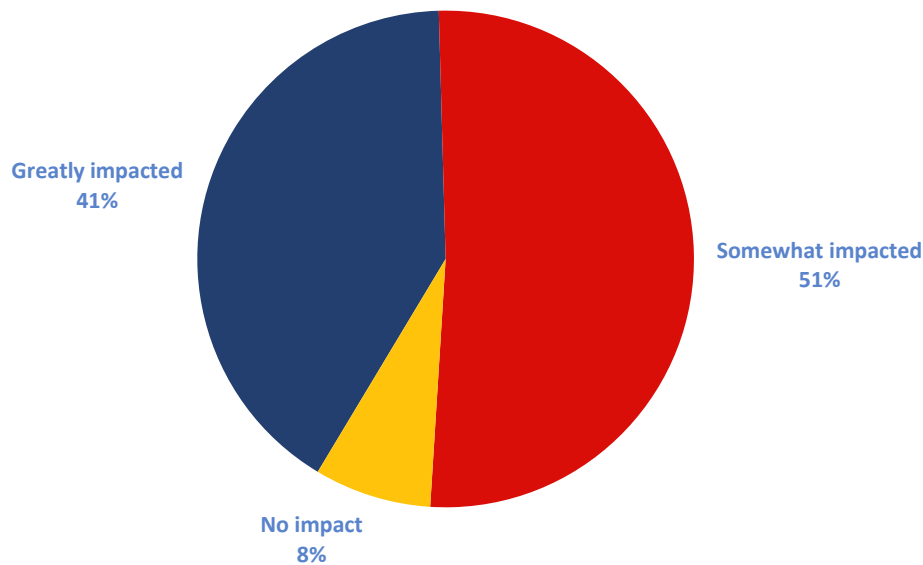
**HAS COVID-19 FORCED YOU
TO RE-EVALUATE YOUR
LONG-TERM BUSINESS
STRATEGY IN ASEAN?**



**HAS COVID-19 LED YOU TO
CONSIDER RE-ORGANISING
YOUR SUPPLY CHAINS GOING
FORWARD?**



LEVEL OF IMPACT ON ASEAN BUSINESS STRATEGY

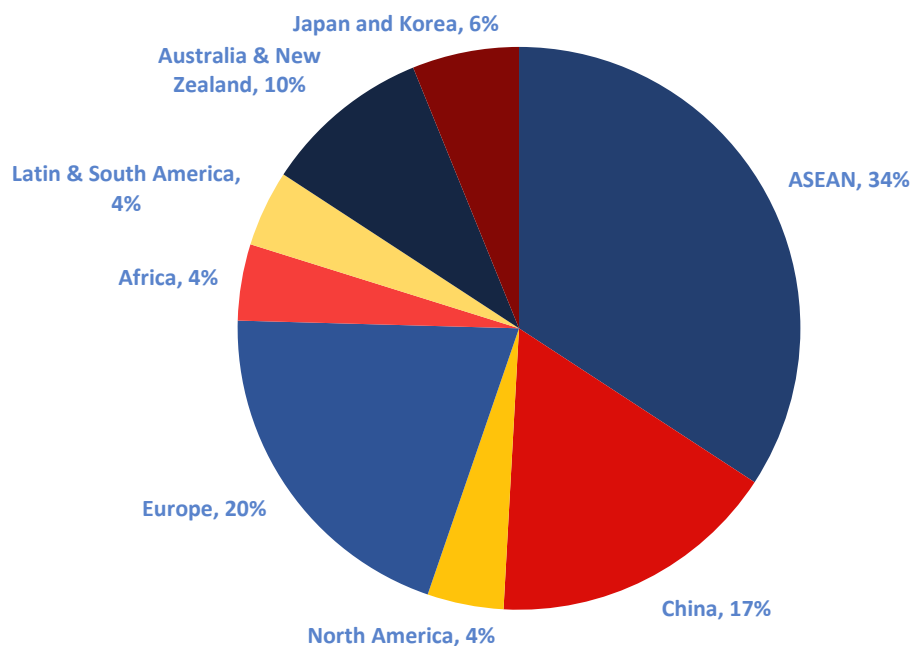


Low level of confidence in ASEAN during COVID-19, more confidence in ASEAN post COVID-19

We asked respondents if, as a result of COVID-19, they were likely to consider reorganising supply chains going forward. Nearly half said that they would. When asked which region or country they were likely to look to source more for supply, ASEAN received 34% of the positive responses, making it the top region for

potential relocations. There is also a notable proportion of respondents who are considering sourcing more from Europe (20%) or from China (17%). ASEAN is therefore a top destination for post COVID-19 sourcing, but not the only one being considered by European businesses.

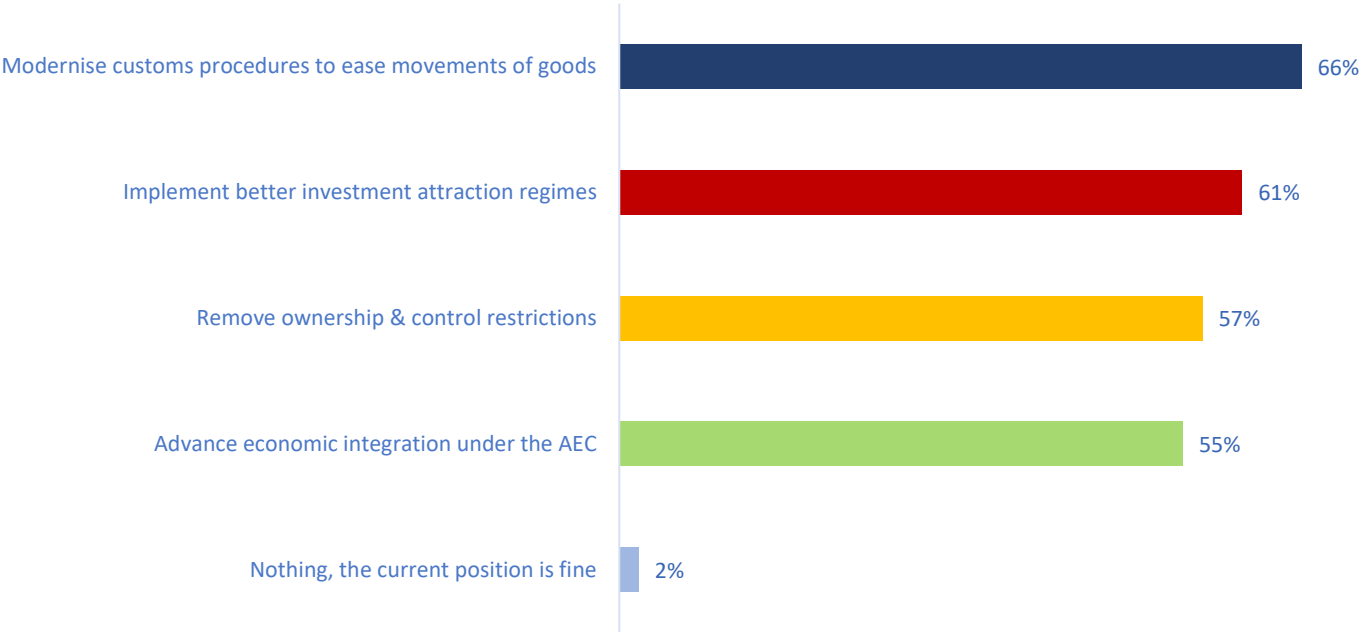
POTENTIAL REGIONS TO SOURCE MORE FROM POST COVID-19



Many felt that ASEAN could do better to position itself to take advantage of changes in global supply chain by *modernising custom procedures to ease movements of*

goods and implementing better investment attraction regimes.

WHAT COULD ASEAN AS A REGION DO MORE OF TO BETTER POSITION ITSELF TO TAKE ADVANTAGE OF CHANGES IN GLOBAL SUPPLY CHAINS?



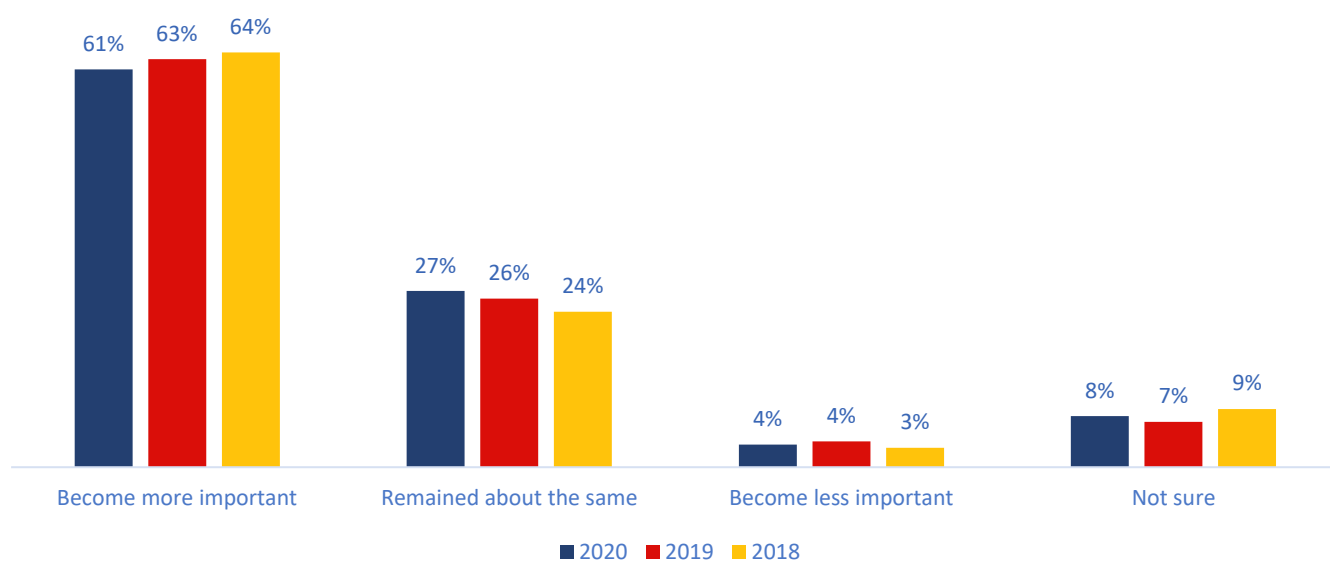
CURRENT BUSINESS ENVIRONMENT AND OUTLOOK

European business confidence in ASEAN remains relatively strong but has declined

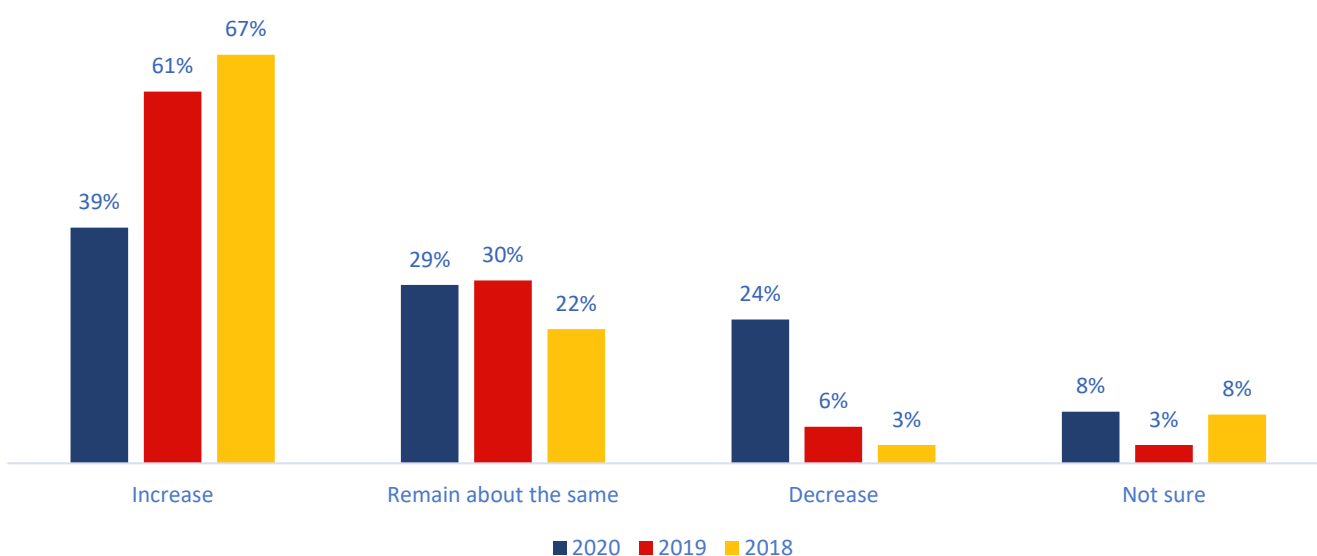
The optimism of European businesses for ASEAN has slightly decreased compared to previous years though almost nine in ten of respondents still view ASEAN's markets the same or even more important in terms of worldwide revenues. Falls in profitability in ASEAN are now expected, with a significant uptick in the numbers

expecting a decrease and only 39% respondents expecting an increase in 2020, (61% in 2019). Lower profit expectations are no surprise given the economic fallout of the COVID-19 pandemic and the survey being conducted during the height of the economic disruption caused by it.

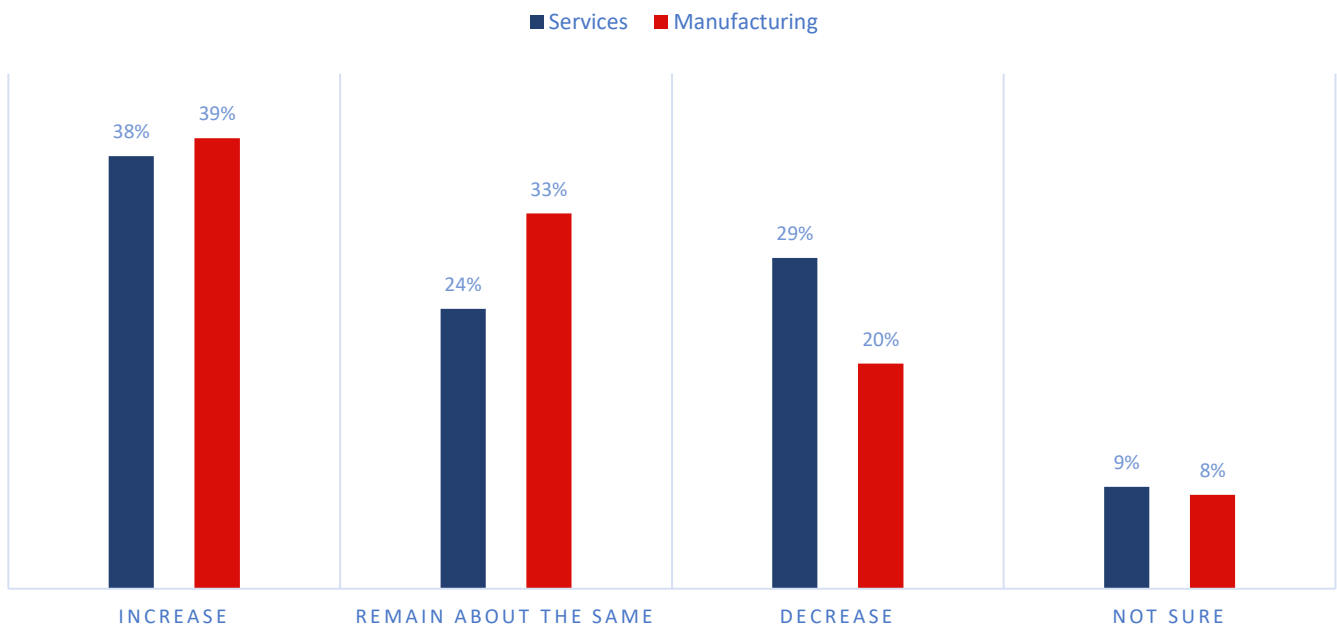
ASEAN MARKETS IN TERMS OF WORLDWIDE REVENUES OVER THE PAST TWO YEARS (2018-2020)



COMPANIES' EXPECTATIONS OF ASEAN PROFITS (2018-2020)



COMPANIES' EXPECTATIONS OF PROFIT IN ASEAN (BY INDUSTRY) (2020)

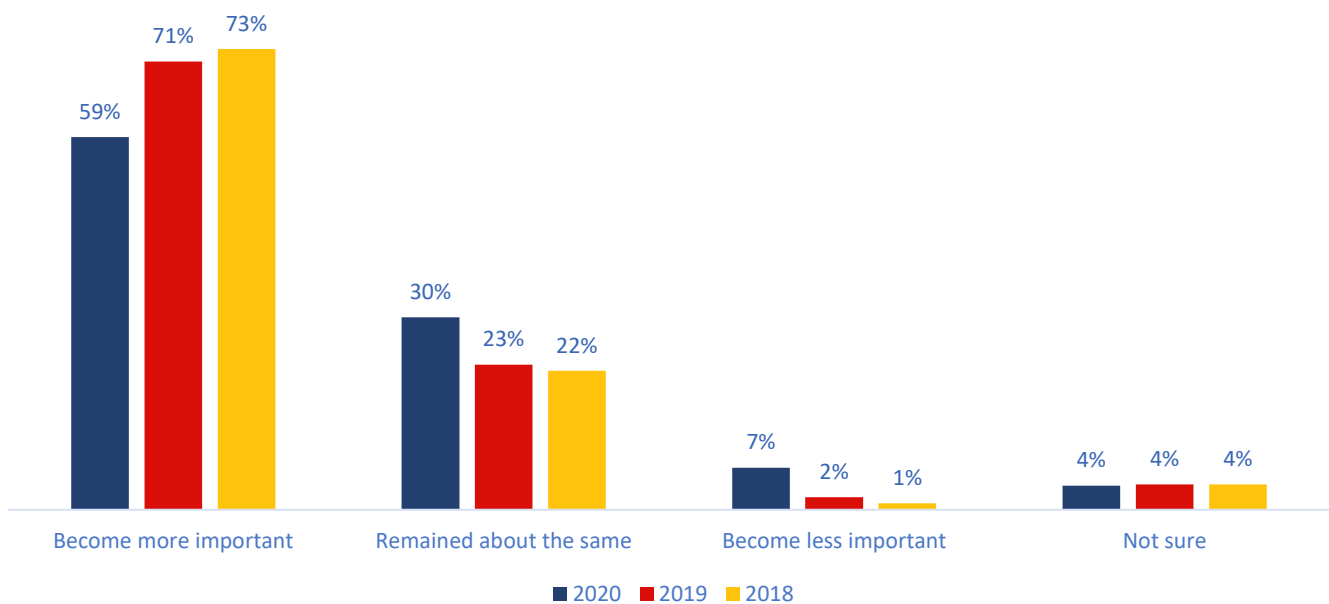


ASEAN is still seen as important in terms of worldwide revenues in the next two years, but the level of importance has fallen.

59% of respondents believe ASEAN will become more important in terms of worldwide revenues in the next two years, a drop from 71% in 2019, signifying some

concern over the region's ability to achieve a speedy economic recovery.

ASEAN MARKETS IN TERMS OF WORLDWIDE REVENUES OVER THE NEXT TWO YEARS (2018-2020)

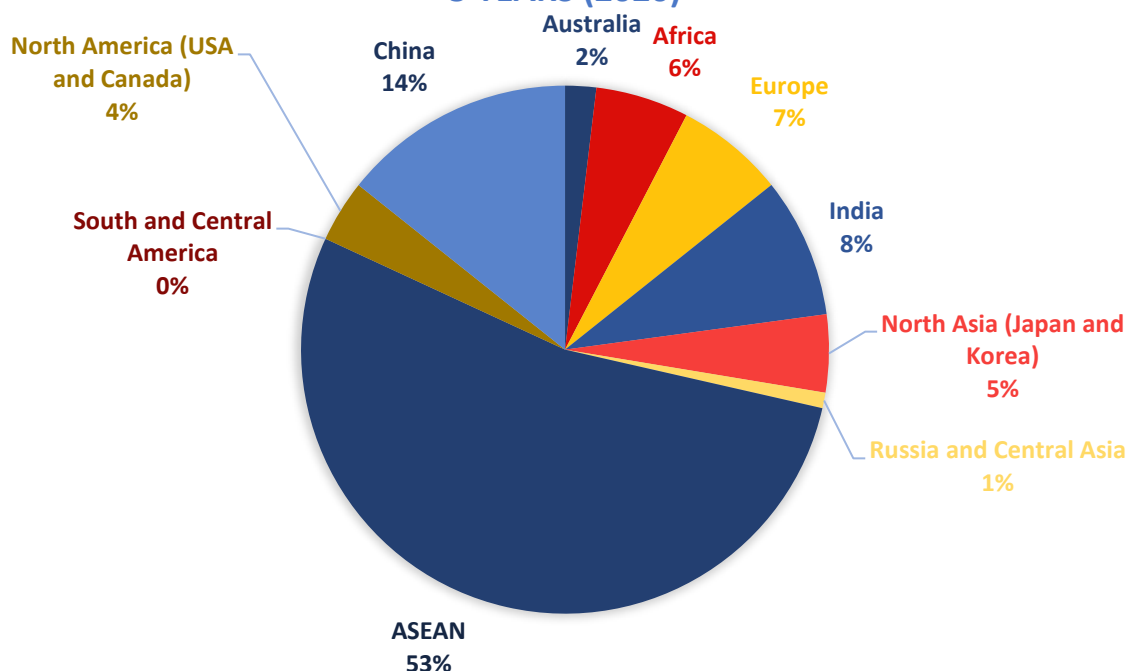


ASEAN is still the region seen with the best economic opportunity but less so; Less optimistic on trade and investment

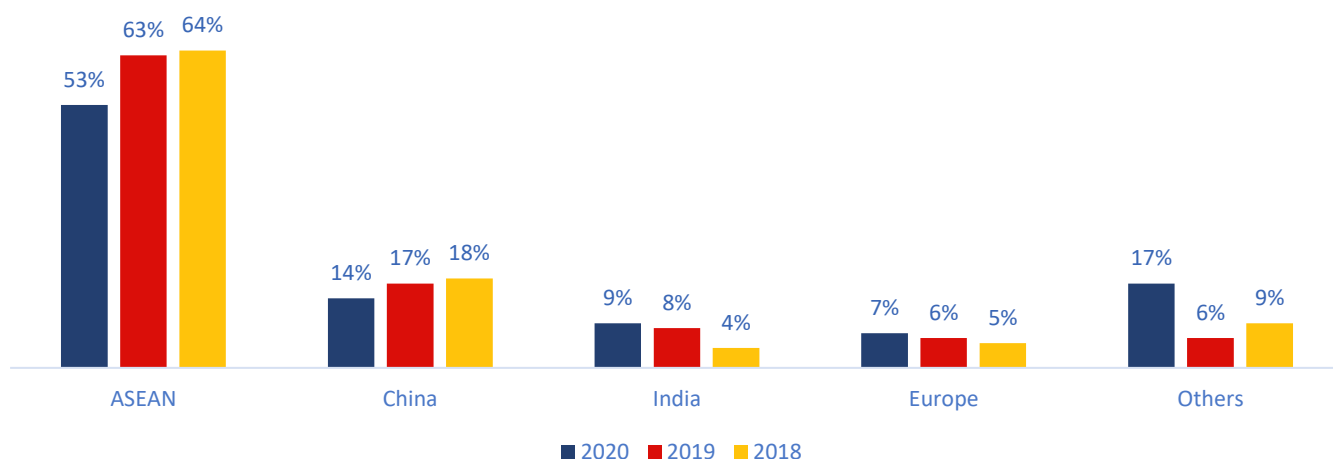
The trend of positive sentiment towards ASEAN compared to other regions carries on this year, with the majority of the respondents perceiving that ASEAN is the region with the best economic opportunities in the next 5 years, with the number this year over three times more than the next highest region, China. However, there is a significant drop in the percentage

of respondents who believe ASEAN is the region with the best economic opportunity, down to 53% from 63% in 2019. Furthermore, there is increased interest in other regions / countries such as India, North Asia and Africa. Although the uptick is small, this may indicate the beginnings of further diversification.

REGION WITH THE BEST ECONOMIC OPPORTUNITIES OVER THE NEXT 5 YEARS (2020)



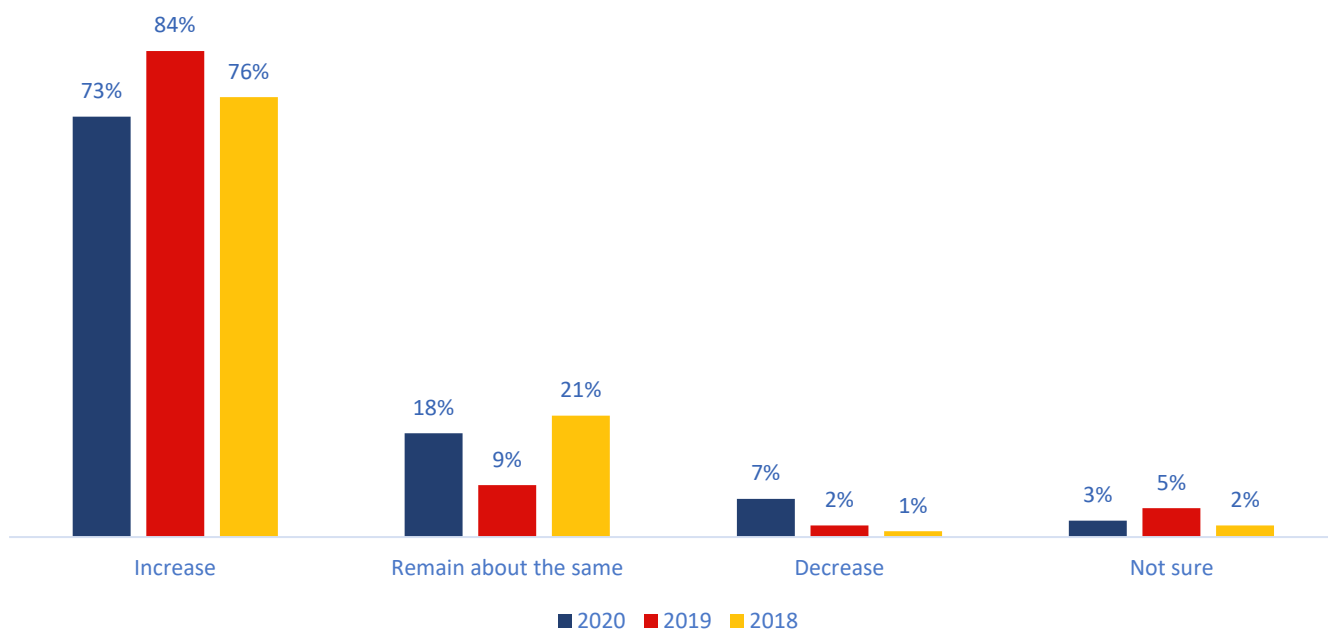
REGION WITH THE BEST ECONOMIC OPPORTUNITIES OVER THE NEXT 5 YEARS (2018-2020)



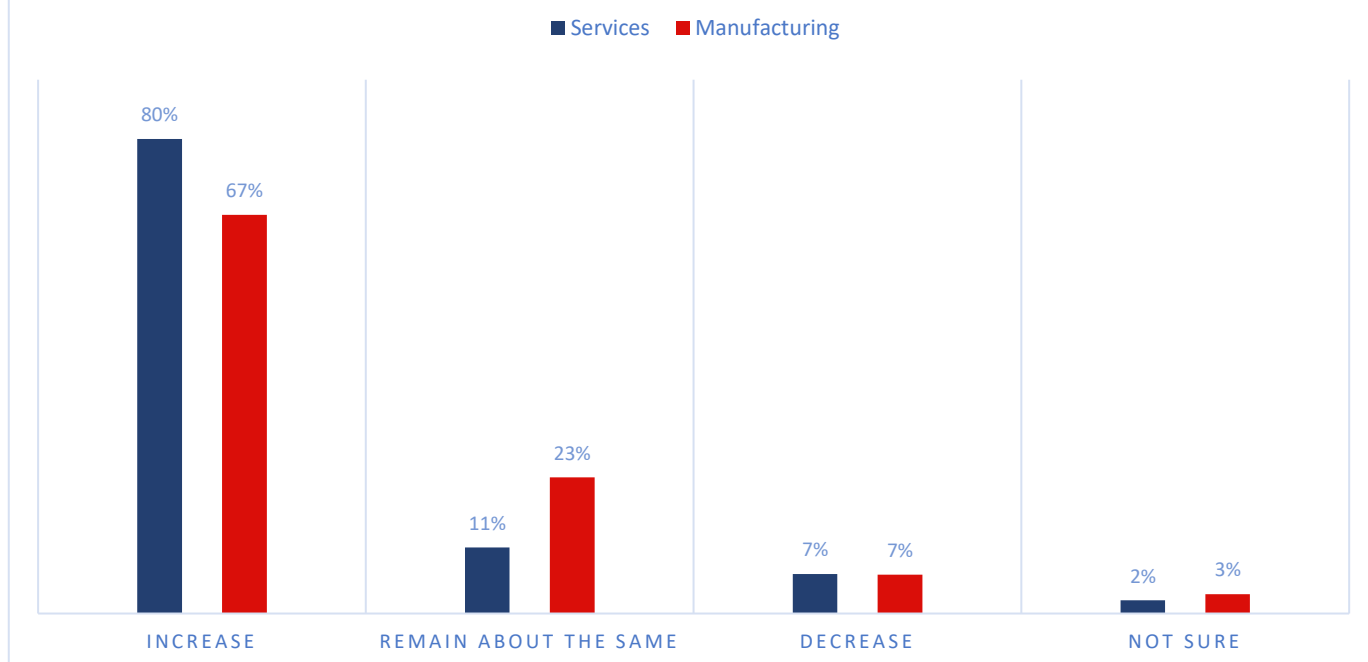
On trade and investment, 73% of respondents expect greater volumes of trade and investment over the next 5 years in 2020, compared to 84% in 2019. Of note is that although the services industry is more pessimistic

of their profits in ASEAN in the short-term (see previous section), they are somewhat more optimistic than those in the manufacturing industry in the 5 year view.

EXPECTATION OF TRADE & INVESTMENT OVER THE NEXT 5 YEARS (2018-2020)



EXPECTATION OF TRADE AND INVESTMENT OVER THE NEXT 5 YEARS (BY INDUSTRY) (2020)



When asked to rank the challenging aspects of trade and investment in ASEAN, *rising protectionist sentiments* was ranked #1, with *lack of harmonisation*

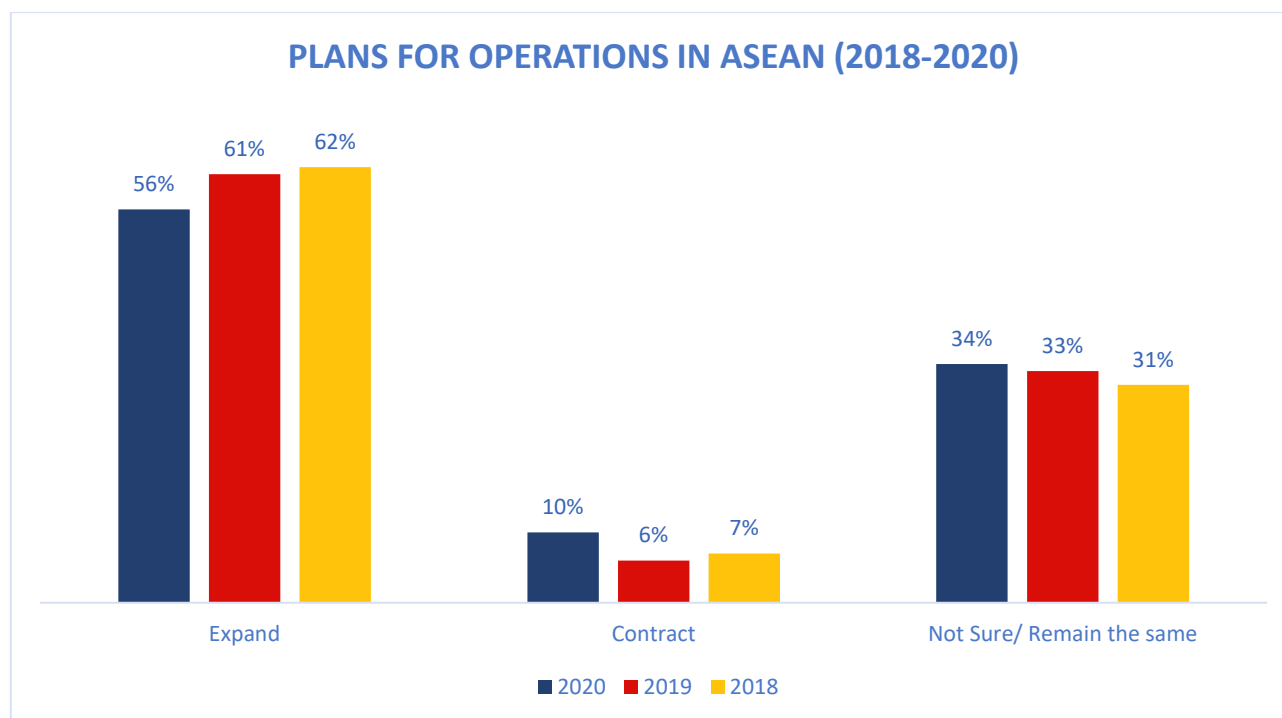
of standards and *lack of service sector liberalisation* as #2 and #3.

Order of challenging aspects of trade and investment in ASEAN	
1	Rising protectionist sentiments
2	Lack of harmonisation of standards
3	Lack of service sector liberalisation
4	Prevalence of unfair competitive practices
5	Complex customs procedures for intra-ASEAN movement of goods
6	Growing NTB's
7	Complex taxation regimes

European Businesses positive about expansion prospects for ASEAN operations but less so

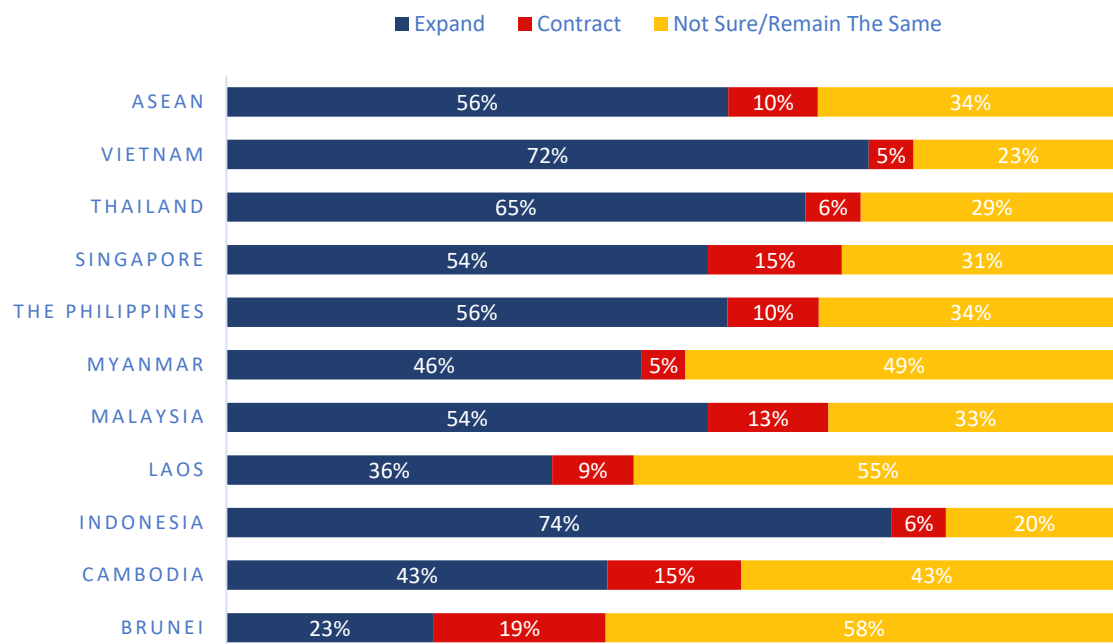
Again, the majority of respondents expect to expand their level of operations in ASEAN. The numbers expecting to expand operations in the region have decreased though to 56%, compared to 61% in 2019, and the percentage

planning to contract reached 10%. Respondents in Indonesia, Thailand and Vietnam show the greatest level of intention to expand operations.²



² In the 2018 and 2019 editions, “not sure” and “remain the same” were presented as separate options while the 2020 edition presented them as a combined option

PLANS FOR ASEAN OPERATIONS IN RESPONSE LOCATION



Importance of regional economic integration fades, strength of economic rebound and diversification comes first

When asked for the main factors that makes ASEAN important to their bottom lines, respondents cited *economic recovery* as the main factor, which has moved two places up to replace *change in business strategy* that took the top spot last year. *Improvement in infrastructure* came third, while we see *limited growth opportunities in other regions* making it to

second place for the first time in four years, reflecting ASEAN's growing importance in global markets as a pathway to recovery. Regional economic integration does not feature again, perhaps reflecting the lack of tangible progress on this issue, and the current focus on recovery for the COVID-19 crisis.

Top 3 factors that were increasing ASEAN's importance in terms of revenue and prospective profits

	2018	2019	2020
1	Enhanced regional economic integration	Change in business strategy	Economic Recovery
2	Improvement in infrastructure	Improvement in infrastructure	Limited growth opportunities in other regions
3	Change in business strategy	Economic recovery	Improvement in infrastructure

We have also asked respondents to rank the importance of five factors that drive intentions to expand their businesses in ASEAN. These factors include:

- Adequate laws and regulations to encourage foreign investment
- Availability of trained personnel/efficient manpower
- Diversification of customer base
- Reasonable production costs (including labour cost)

- Stable government and political system

The top 3 factors motivating expansion reordered this year compared to 2019. Diversification of customer base continues to be the top reason, followed by reasonable production costs (including labour cost), while availability of trained personnel/efficient manpower entered third place for the first time in four years.

Top 3 factors motivating expansion plans

	2018	2019	2020
1	Adequate laws and regulations to encourage Foreign investment	Diversification of customer base	Diversification of customer base
2	Diversification of customer base	Stable government and political system	Reasonable production costs (including labour cost)
3	Stable government and political system	Adequate laws and regulations to encourage Foreign investment	Availability of trained personnel/efficient manpower

As for the factors that drive intentions to contract their businesses in ASEAN, respondents were asked to rank the following:

- Inadequate laws and regulations to encourage foreign investment

- Unavailability of trained personnel/efficient manpower
- Lack of diversification of customer base
- High production costs (including labour cost)
- Unstable government and political system

Top 3 factors motivating contraction plans

	2018	2019	2020
1	Unavailability of trained personnel/efficient manpower	Inadequate laws and regulations to encourage foreign investment	Unstable government and political system
2	High production costs (including labour cost)	Unavailability of trained personnel/efficient manpower	Inadequate laws and regulations to encourage foreign investment
3	Inadequate laws and regulations to encourage foreign investment	High production costs (including labour cost)	Unavailability of trained personnel/efficient manpower

Unstable government and political system moved up two spots and became the top reason driving contraction plans. *Inadequate laws and regulations to encourage foreign investment* and *unavailability of trained personnel / efficient manpower* continued to

stay in the top 3 for the past 3 years. The survey highlights the importance on availability of talent as critical to expansion and the unavailability of talent as reason for contraction.

ASEAN REGIONAL AND DOMESTIC POLICY FRAMEWORKS

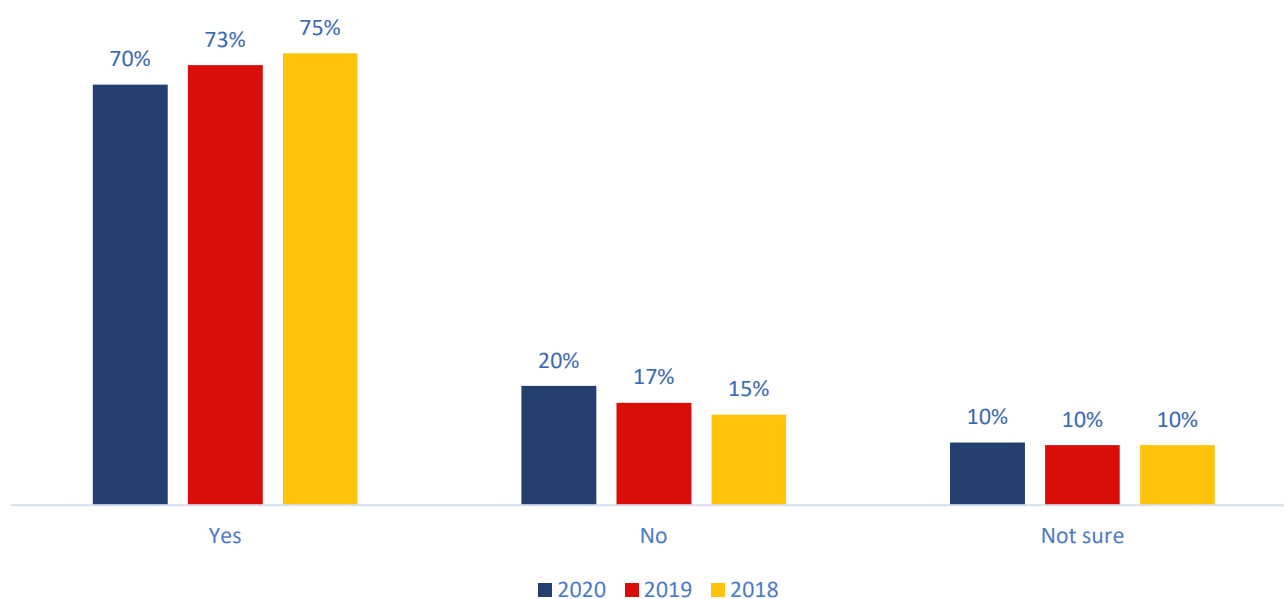
ASEAN Economic Integration remains important to most European businesses but only 30% say it has had a positive impact on their businesses. This is probably due to the lack of progress on the integration as only 2% find the progress of ASEAN Economic Integration fast enough. The result is that most European businesses do not have a strategic plan based on the ASEAN Economic Community (AEC).

Decreasing levels of enthusiasm for AEC, less feel positive impact on businesses from AEC

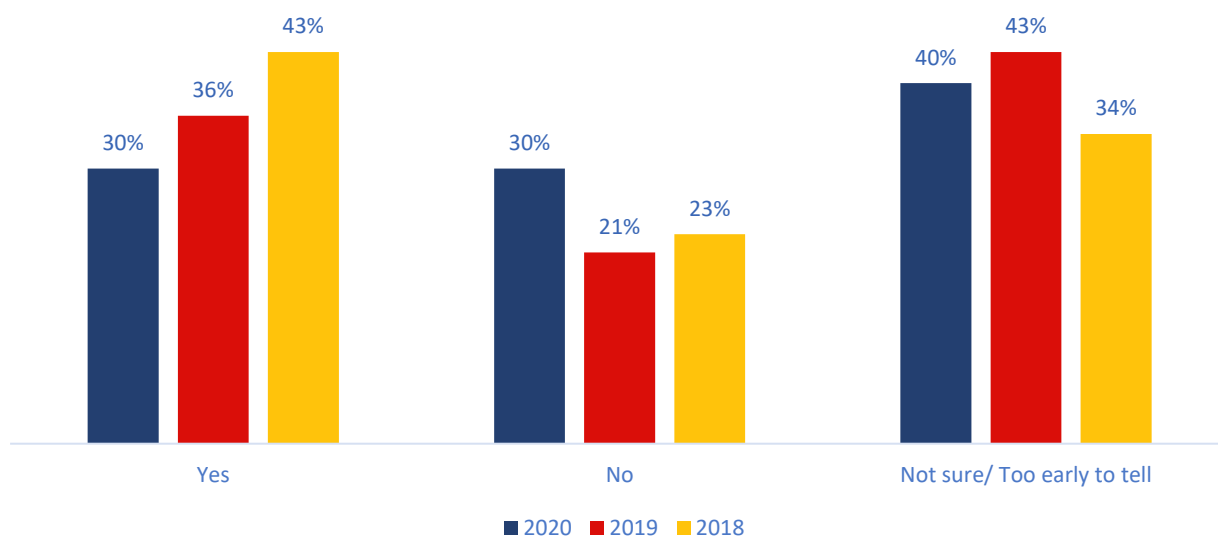
70% of respondents realise the importance of further economic integration of ASEAN. This proportion has decreased from 75% in 2018 and 73% in 2019. There is also a decreasing trend in the proportion of respondents who felt that AEC has made a positive

impact on their business activity in the region from 43% in 2018 to 36% in 2019 to 30% in 2020. 40% of respondents are unsure or feel that it is too early tell whether the AEC has made a positive impact on their business in the region.

IS ASEAN ECONOMIC INTEGRATION IMPORTANT FOR THE SUCCESS OF YOUR BUSINESS IN THE REGION? (2018-2020)



HAS THE ASEAN ECONOMIC COMMUNITY MADE A POSITIVE IMPACT ON YOUR BUSINESS ACTIVITY IN ASEAN? (2018-2020)

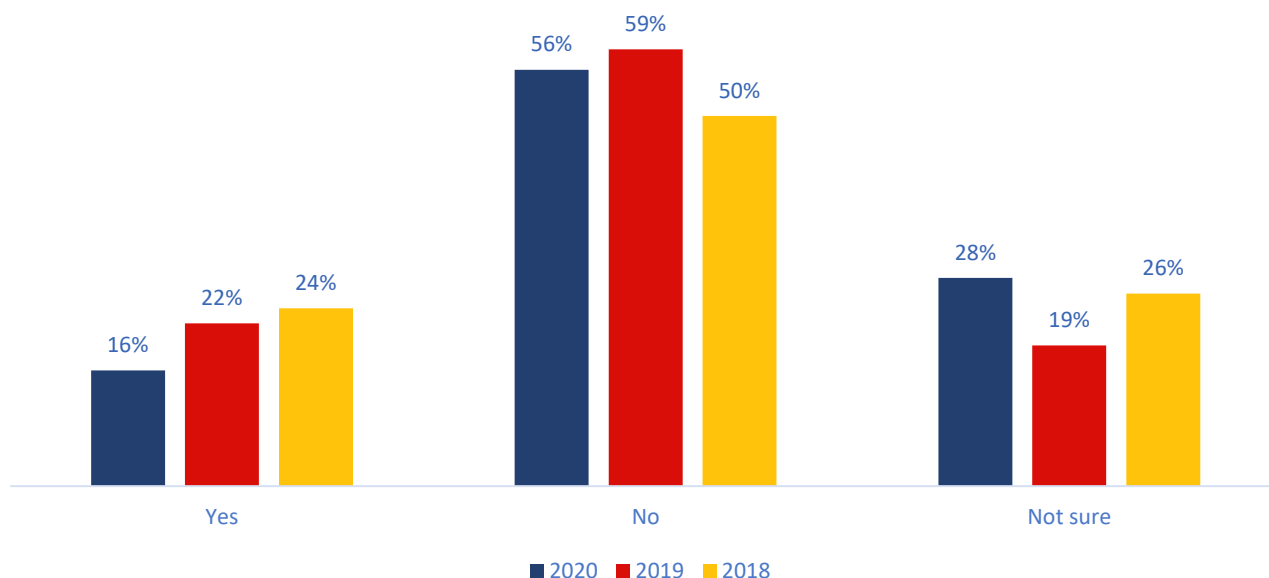


Less initiatives to create regional business strategy

There is a slight decrease in the proportion of respondents possessing a strategy based on the AEC

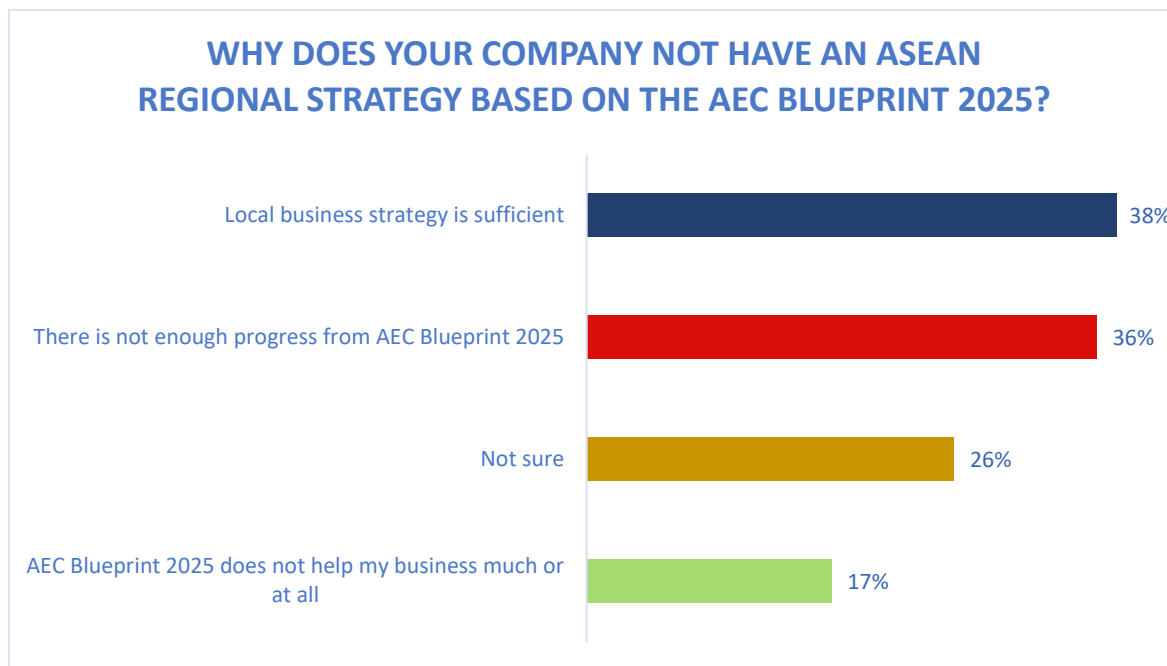
Blueprint 2025, from 24% in 2018, to 22% in 2019, to 16% in 2020.

PRESENCE OF ASEAN REGIONAL STRATEGY IN BUSINESSES BASED ON THE AEC BLUEPRINT 2025 (2018-2020)



For those who indicate they do not have an ASEAN regional strategy based on AEC Blueprint 2025, 38% stating that their local business strategies were

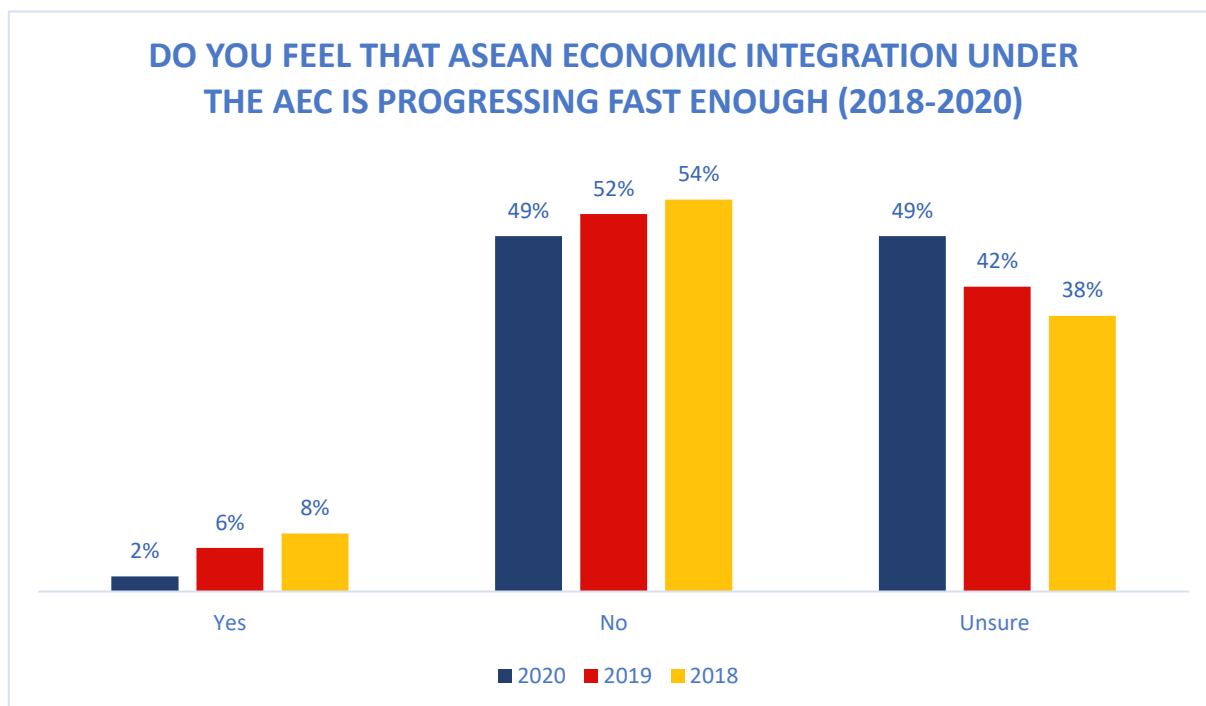
sufficient and 36% indicated that there was insufficient progress on the AEC to warrant such a regional strategy:



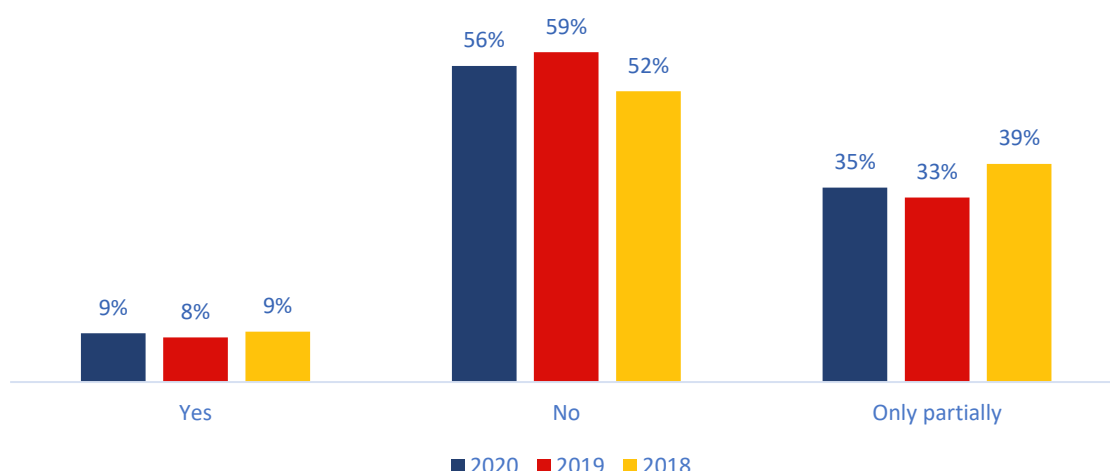
ASEAN Economic Integration Needs To Hasten

Only 2% respondents believe that regional integration is proceeding fast enough (2019 – 6%). The proportion of respondents believing that ASEAN has not created a

single market and production base has remained stable at 56% (2019 – 59%).



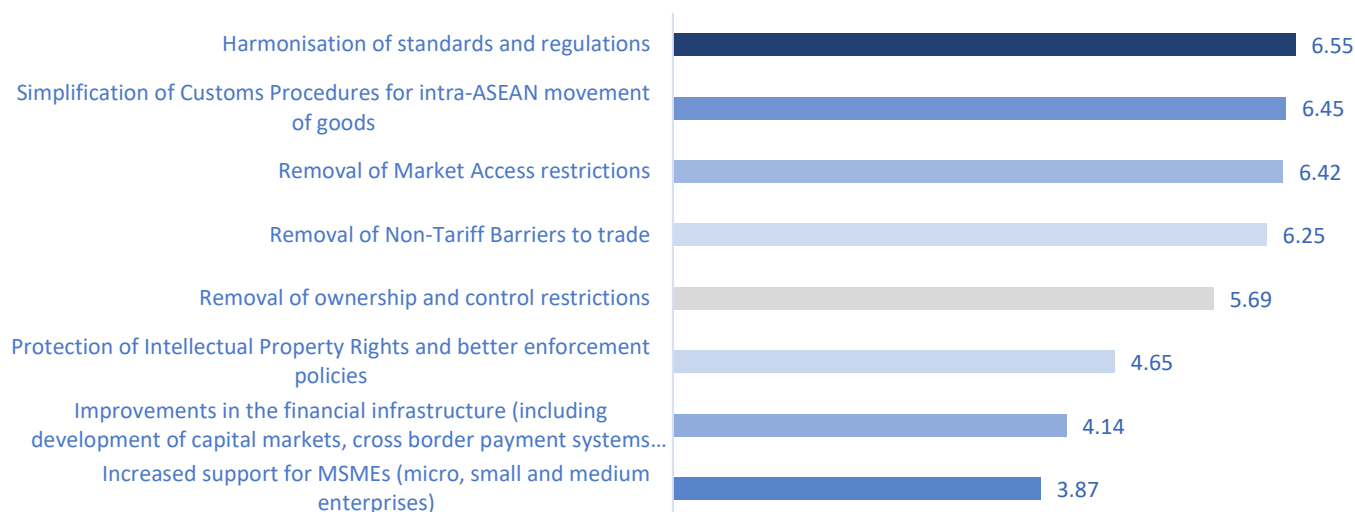
HAS ASEAN ACHIEVED ITS AIM OF CREATING A SINGLE MARKET AND PRODUCTION BASE? (2018-2020)



Our respondents indicated that ASEAN needs to make progress in harmonising standards and regulations, simplifying Customs Procedures for intra-ASEAN

movement of goods and removing market access restrictions in order to make more progress on achieving the AEC's core aims.³

AREAS THAT ASEAN NEEDS TO MAKE MORE PROGRESS TOWARDS ACHIEVING 'SINGLE MARKET AND PRODUCTION BASE'



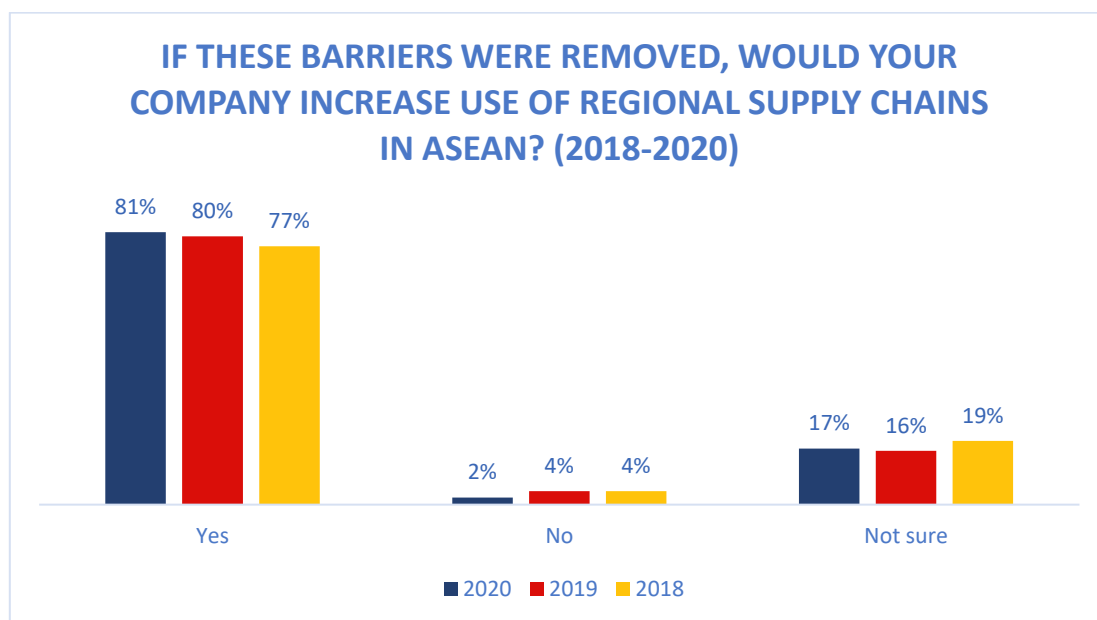
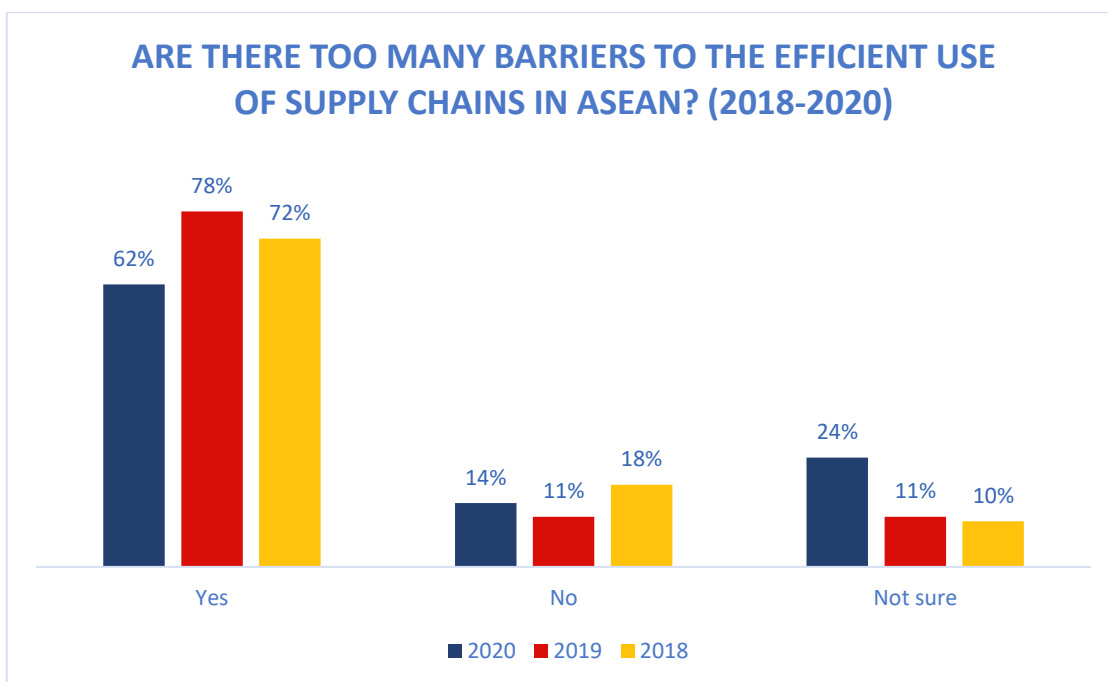
³ Respondents were asked to rank the following factors from 1 to 8, with 1 being the most important. For factors that are ranked 1, they are given a weight of 8.

Significant proportion still see many barriers to using regional supply chains, would use more if barriers lifted

Of those who already use regional supply chains, only 14% of respondents report that there are not too many barriers to the efficient use of supply chains in the region, a slight rise over 2019 but still less than in 2018. There is an increase in respondents who indicated that they are unsure or uncertain on this issue, perhaps

reflecting a lack of information for those trading across borders.

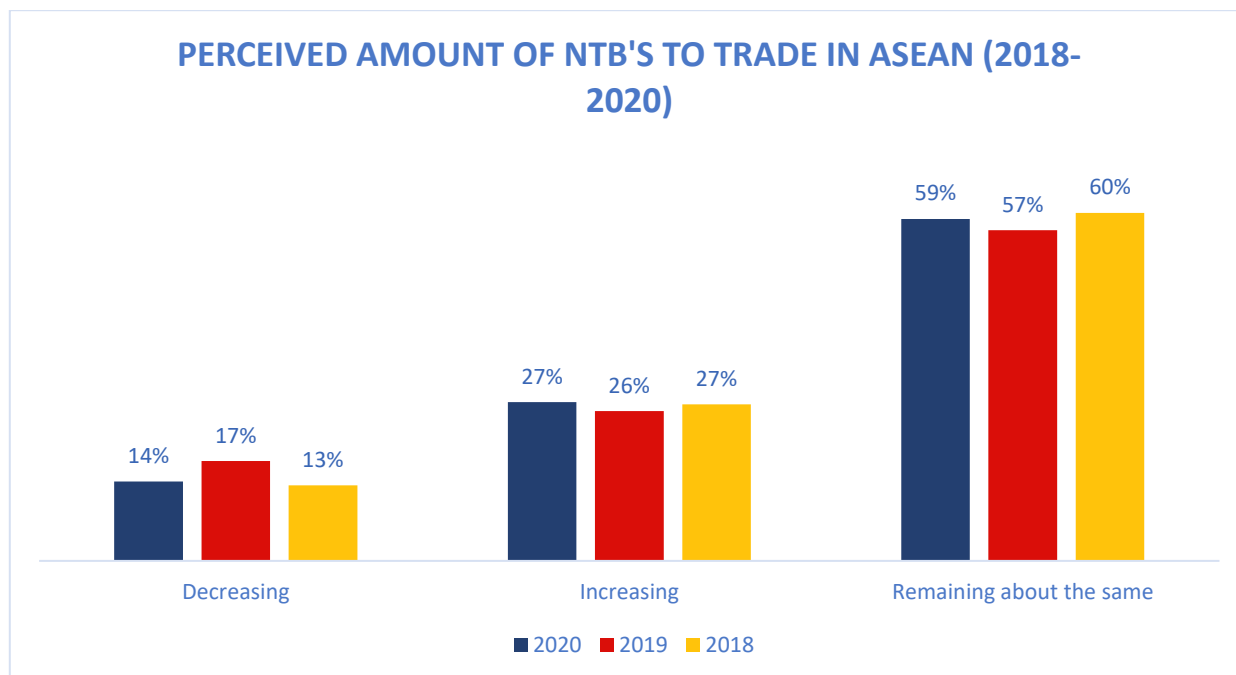
Similar to last year, 81% of respondents would increase usage of regional supply chains if barriers were removed (80% in 2019).



Perceived amount of Non-Tariff Barriers (NTBs) remains high, negative ratings of ASEAN customs procedures

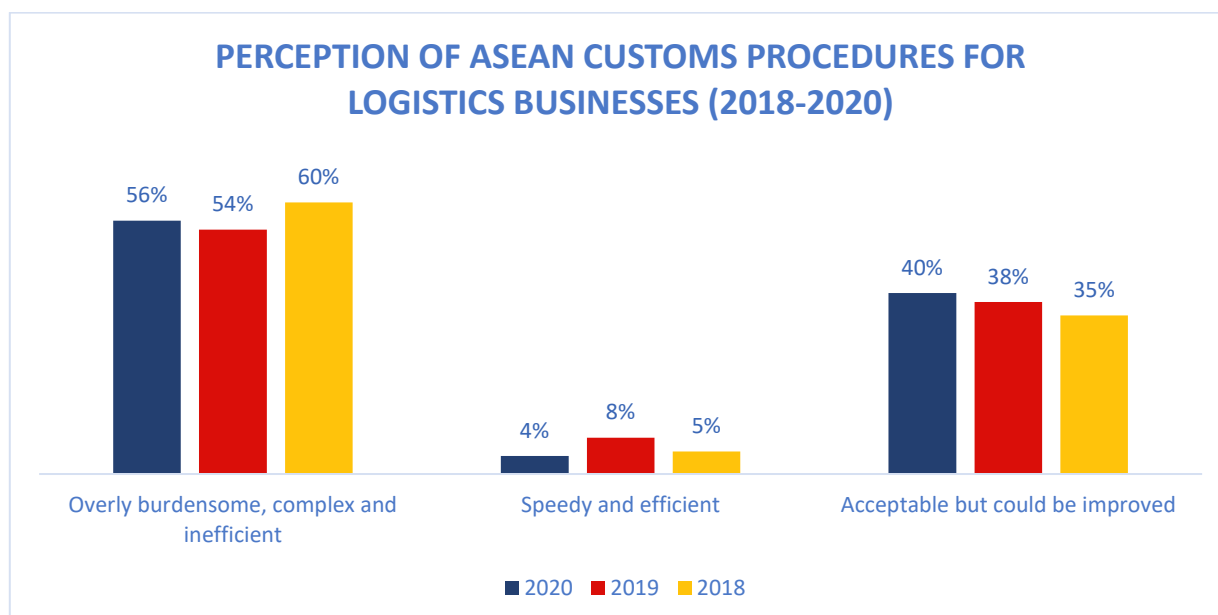
Almost 6 out of 10 respondents felt that there has not been any significant change in the volume of NTBs to trade in ASEAN. Almost 3 out of 10 find that NTBs had

increased. The results here have not changed significantly in the last few years, showing a lack of progress on tackling NTBs in the region.



Almost 60% view the process as overly burdensome, complex and inefficient, while 40% of the respondents

find them acceptable but could be improved. Only 4% found customs procedures to be speedy and efficient.



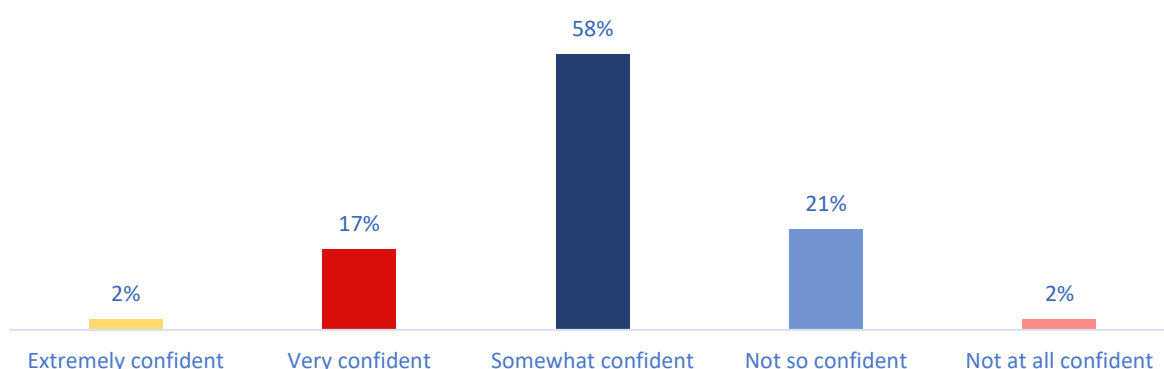
DIGITAL ECONOMY IN ASEAN

Low confidence in ASEAN's ability to support development of Digital Economy

Only 19% of the respondents are “extremely” or “very” confident that ASEAN can collectively put in place the right ecosystem to support the development of the digital economy. The main challenges for ASEAN are ‘Underdeveloped infrastructure within and across key

ASEAN economies’ and ‘Complex customs regulations impacting the viability of e-commerce’. Concerns over the ability of education systems to provide the right skills for the digital economy and growing data localisation policies also scored highly.

CONFIDENCE IN ASEAN TO COLLECTIVELY PUT IN PLACE THE RIGHT ECOSYSTEM TO SUPPORT THE DEVELOPMENT OF THE DIGITAL ECONOMY



CHALLENGES FOR ASEAN IN DEVELOPING THE DIGITAL ECONOMY



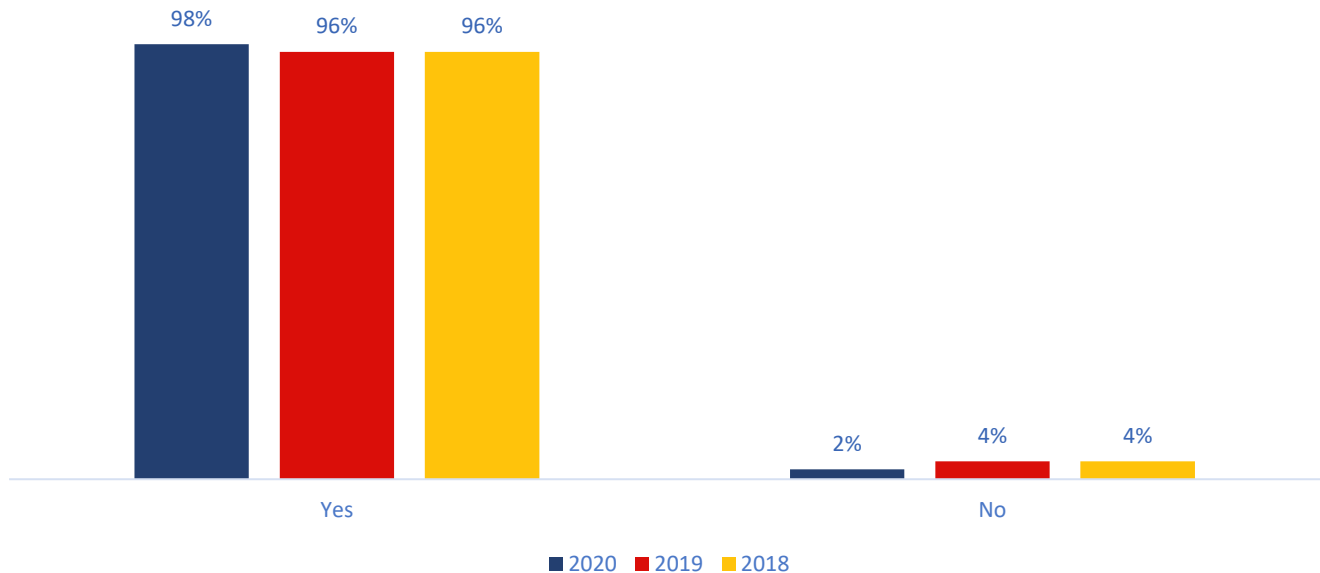
TRADE AGREEMENTS

Strong support for Region-to-Region FTA continues; European Businesses want faster action on FTAs

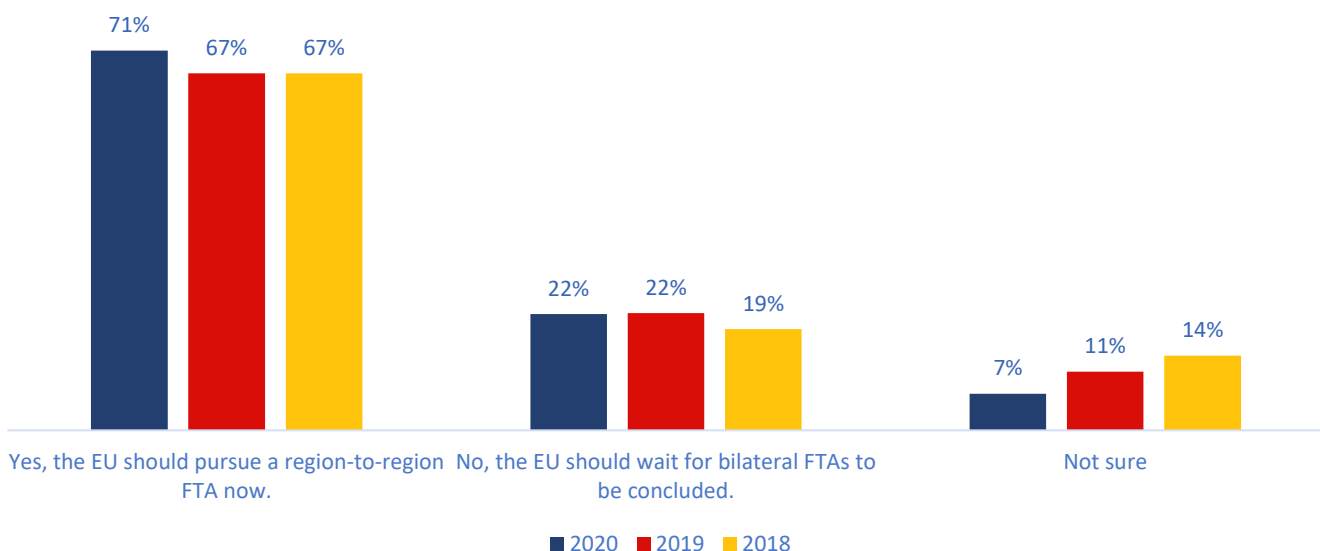
The vast majority of respondents continue to show strong support for a region-to-region FTA, with that support growing. Following the trend of previous years, the majority of respondents believe the EU

should accelerate trade deals with ASEAN, and they still want to see a region-to-region FTA between the EU and ASEAN, compared to further bilateral deals between the EU and the ASEAN region.

SHOULD THE EU ACCELERATE TRADE DEALS WITH ASEAN (2018-2020)



SHOULD THE EU PURSUE A DEEP AND COMPREHENSIVE REGION-TO-REGION FTA WITH ASEAN NOW? (2018-2020)

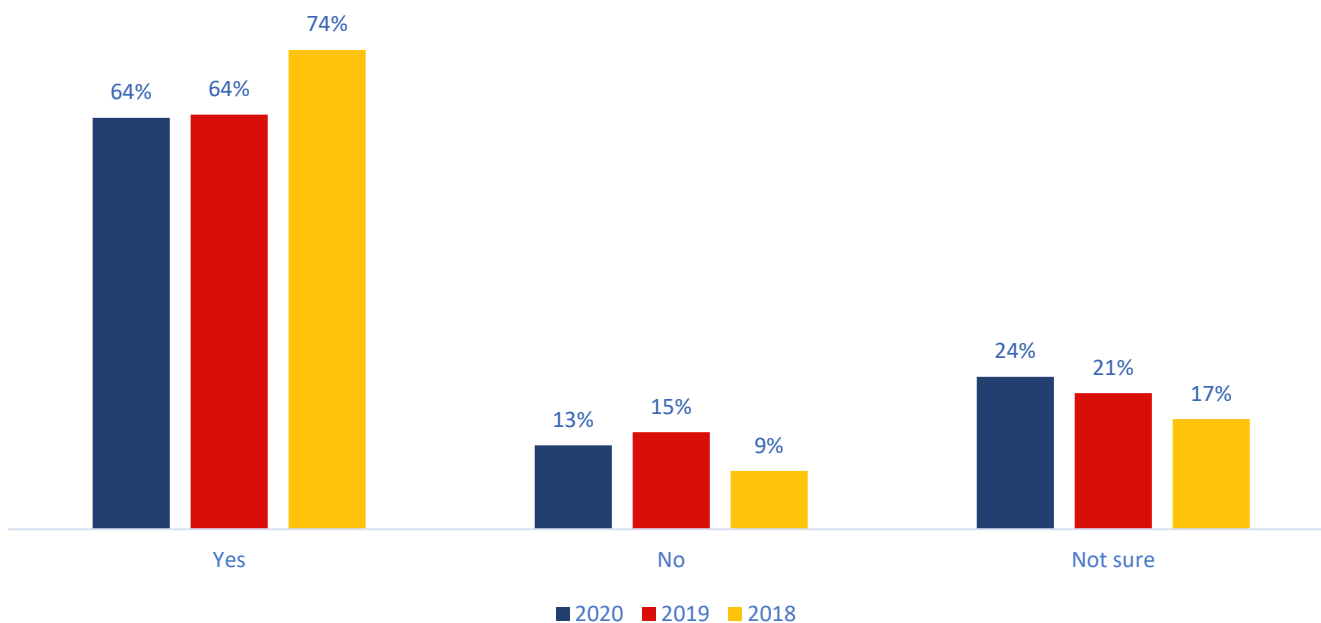


Lack of region-to-region FTA puts many European businesses at a competitive disadvantage, but bilateral FTAs alleviate business concerns

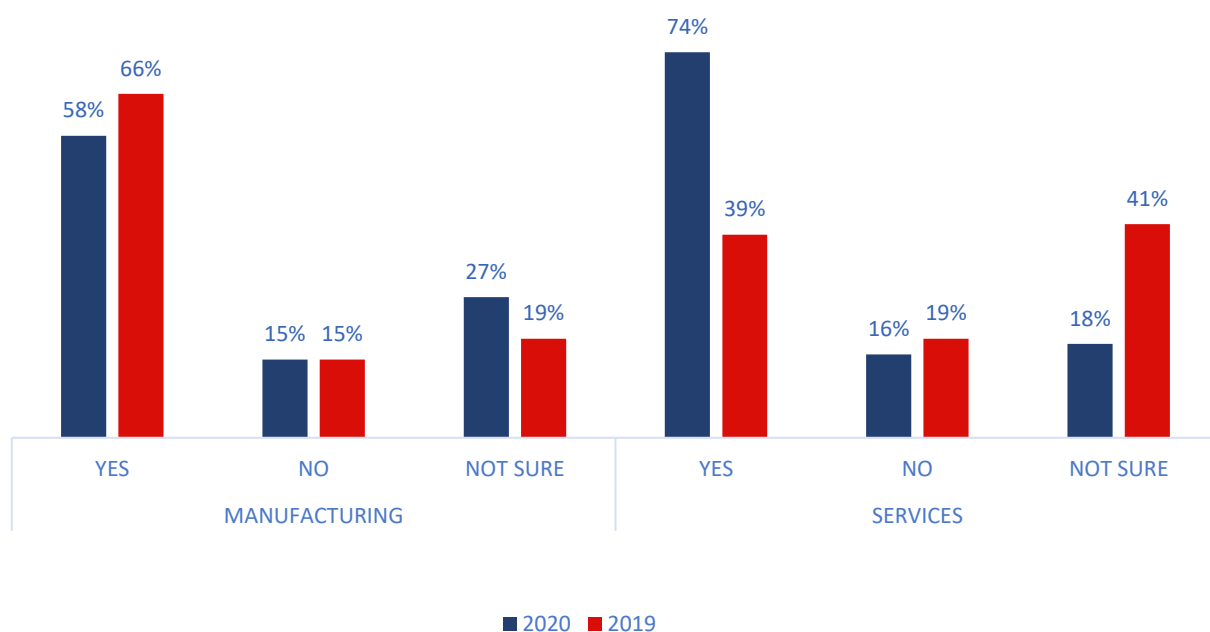
Almost two thirds of respondents are certain that the absence of a region-to-region FTA is placing their businesses at a competitive disadvantage compared to their competitors from countries that have trade agreements with ASEAN as a whole (e.g. China, Japan,

South Korea, India, Australia/New Zealand). In the services sector, the feeling of disadvantage is even more marked. There is also an increase in recognition that FTAs would help businesses.

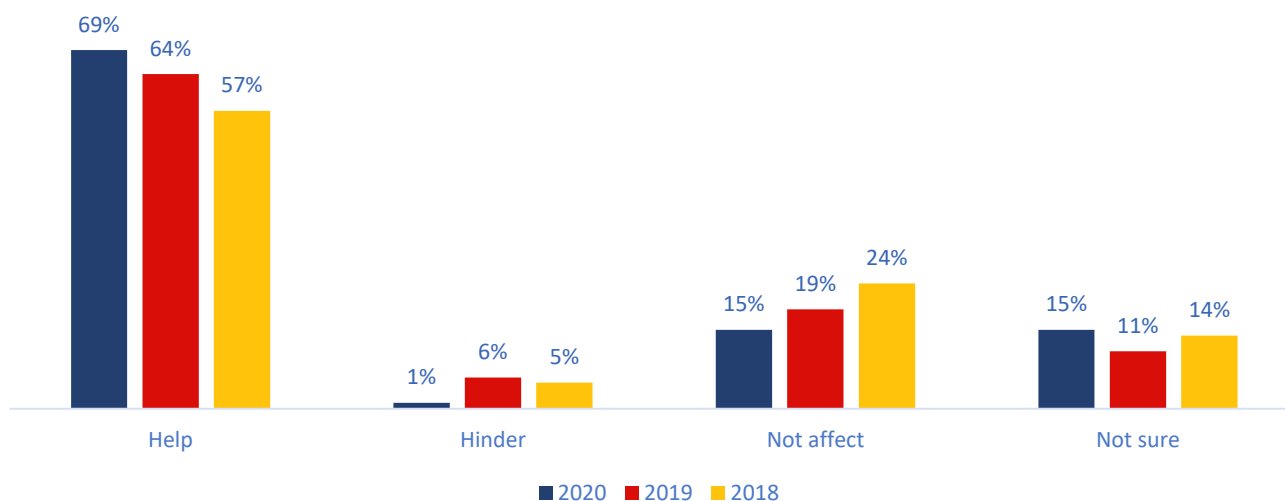
DOES THE LACK OF AN EU-ASEAN FTA PUT EUROPEAN BUSINESSES AT A COMPETITIVE DISADVANTAGE IN THE REGION? (2018-2020)



INDUSTRIES THAT FEEL DISADVANTAGED BY LACK OF EU-ASEAN FTA (2019-2020)



POTENTIAL IMPACT OF EU-ASEAN FTAS ON REGIONAL BUSINESS PERFORMANCE (2018-2020)

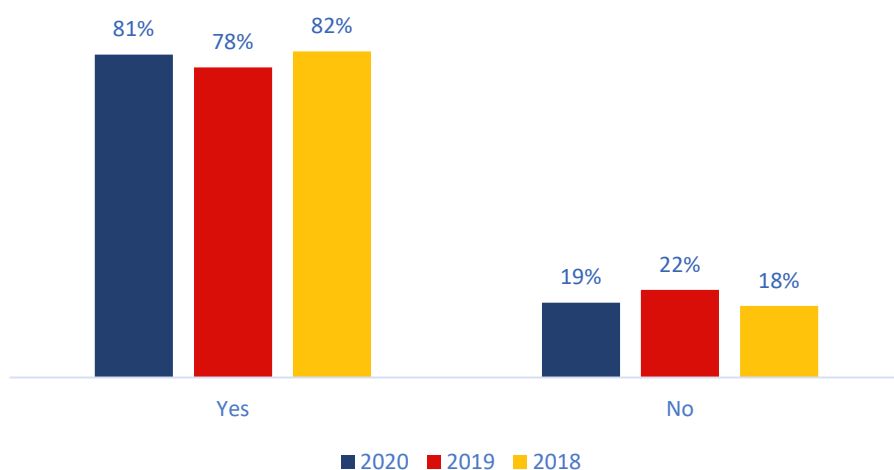


Preference for region-to-region FTA prevails over bilateral FTAs

European businesses still highly favour the EU negotiating an EU-ASEAN FTA above all other bilateral discussions. When asked, if a region-to-region FTA is not possible, which ASEAN Countries the EU should

target for new FTA negotiations⁴, Thailand and Malaysia received the most responses as the next highest priorities for bilateral agreements, similar to previous years' results.

WOULD AN EU-ASEAN FTA DELIVER MORE ADVANTAGES THAN A SERIES OF BILTERAL FTAS? (2018-2020)



Order of preference for FTAs EU should negotiate

- 1 ASEAN
- 2 Thailand
- 3 Malaysia
- 4 Cambodia
- 5 Myanmar
- 6 Laos
- 7 Brunei

⁴ The EU is currently officially in FTA negotiations with Indonesia and the Philippines.

Removal of trade barriers remain most important

Respondents were asked to consider which of the following factors are important for either a region-to-region FTA or bilateral FTAs:

- Removal of Tariffs
- Removal of non-tariff barriers for goods between the EU and ASEAN (or the bilateral partner)
- Removal of non-tariff barriers for services between the EU and ASEAN (or the bilateral partner)
- Removal of market access restrictions (e.g. restrictions on distribution networks)
- Removal of ownership and control restrictions (i.e. being allowed to own up to 100% of business)
- Mutual recognition of standards or harmonisation of standards
- Enforceable investment protection rules
- Intellectual Property protection and enforcement
- Labour Rights
- Competition law

- Open government procurement processes
- Environmental protection
- Protection against discriminatory tax regimes
- Closer alignment on customs procedures (including implementation of WTO Trade Facilitation Agreement)

Just like in 2019, the removal of tariffs and non-tariff barriers to trade are central concerns for many of our respondents, noting the lack of obvious progress in ASEAN on the removal of non-tariff barriers, and the hope for more FTAs between EU and ASEAN countries.

Similarly, environmental protection and labour rights remain one of the least important concerns for respondents. This year, competition law has risen in concern level while protection against discriminatory tax regimes has decreased in concern level.

Most important aspects of a region-to-region FTA or bilateral FTA – According to European businesses		
2018	2019	2020
Removal of tariffs	Removal of Tariffs	Removal of tariffs
Removal of non-tariff barriers for goods between the EU and ASEAN (or the bilateral partner)	Removal of non-tariff barriers for goods between the EU and ASEAN (or the bilateral partner)	Removal of non-tariff barriers for goods between the EU and ASEAN (or the bilateral partner)
Removal of non-tariff barriers for services between the EU and ASEAN (or the bilateral partner)	Removal of non-tariff barriers for services between the EU and ASEAN (or the bilateral partner)	Removal of market access restrictions (e.g. restrictions on distribution networks)

Least important aspects of a region-to-region FTA or bilateral FTA – According to European businesses		
2018	2019	2020
Environmental protection	Labour Rights	Environmental protection
Labour Rights	Environmental protection	Protection against discriminatory tax regimes
Competition law	Competition law	Labour Rights



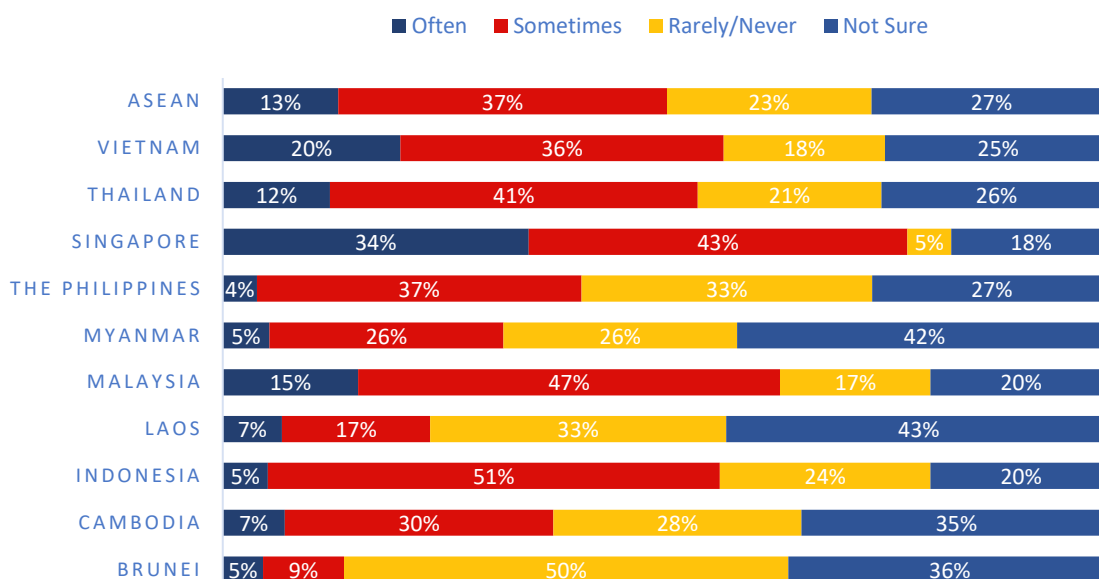
GOVERNMENT CONSULTATION AND COMPETITION ISSUES

Much more can be done to improve communication and understanding as many European firms face difficulties operating in ASEAN

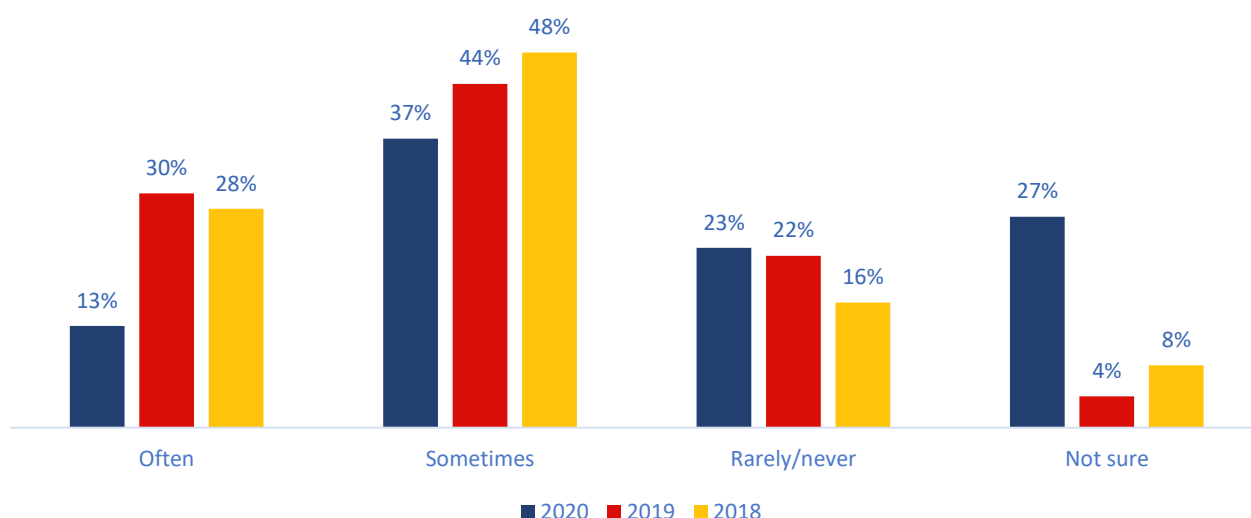
The proportion of respondents who are often consulted by ASEAN governments dropped from 30% in 2019 to 13% in 2020. Among ASEAN countries, Indonesia, Malaysia, Singapore, Thailand and Vietnam had a majority of respondents feeling they were “often” or “sometimes” consulted. With governments

focused on handling the health and economic ramifications of the COVID-19 pandemic and travel restrictions, it may be indeed more difficult to maintain communication. That might explain this year’s drop in engagement with ASEAN governments and EU (see next section for details).

FREQUENCY OF CONSULTATION BY ASEAN GOVERNMENTS



FREQUENCY OF CONSULTATION BY ASEAN GOVERNMENTS (2018-2020)

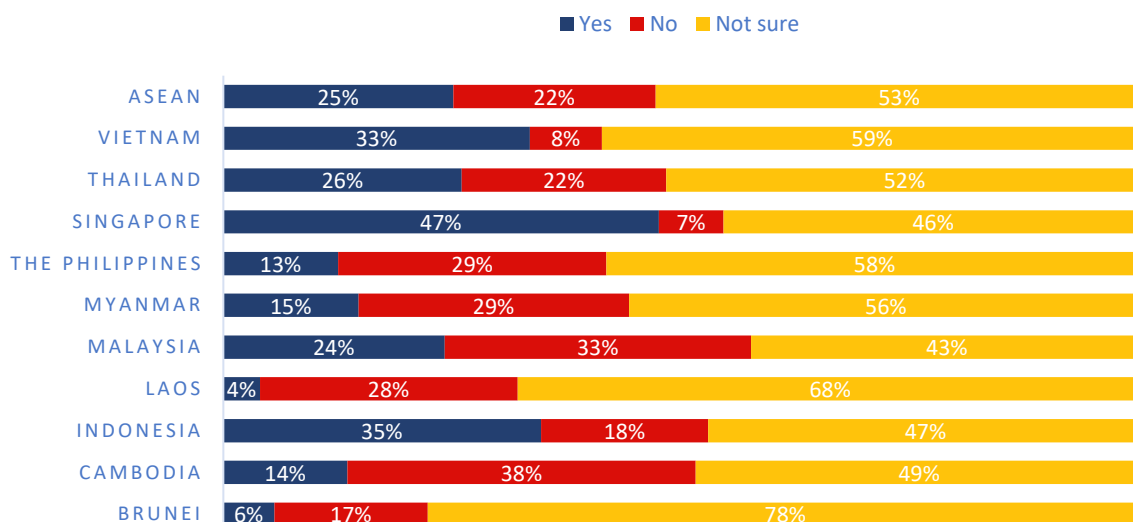


Decline in perception of EU engagement with European businesses

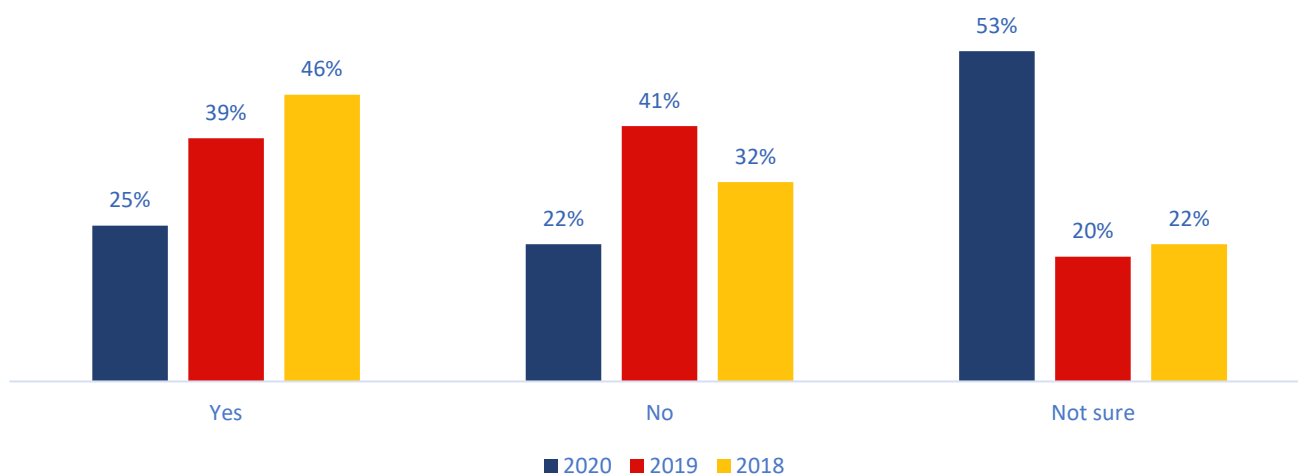
European businesses also felt EU engagement fell this year, with only 25% of respondents believing they have been adequately engaged (39% - 2019). Among ASEAN

countries, Singapore and Malaysia scored better relative to the others.

PERCEPTION OF SUFFICIENT EU ENGAGEMENT WITH EUROPEAN BUSINESS INTERESTS IN ASEAN

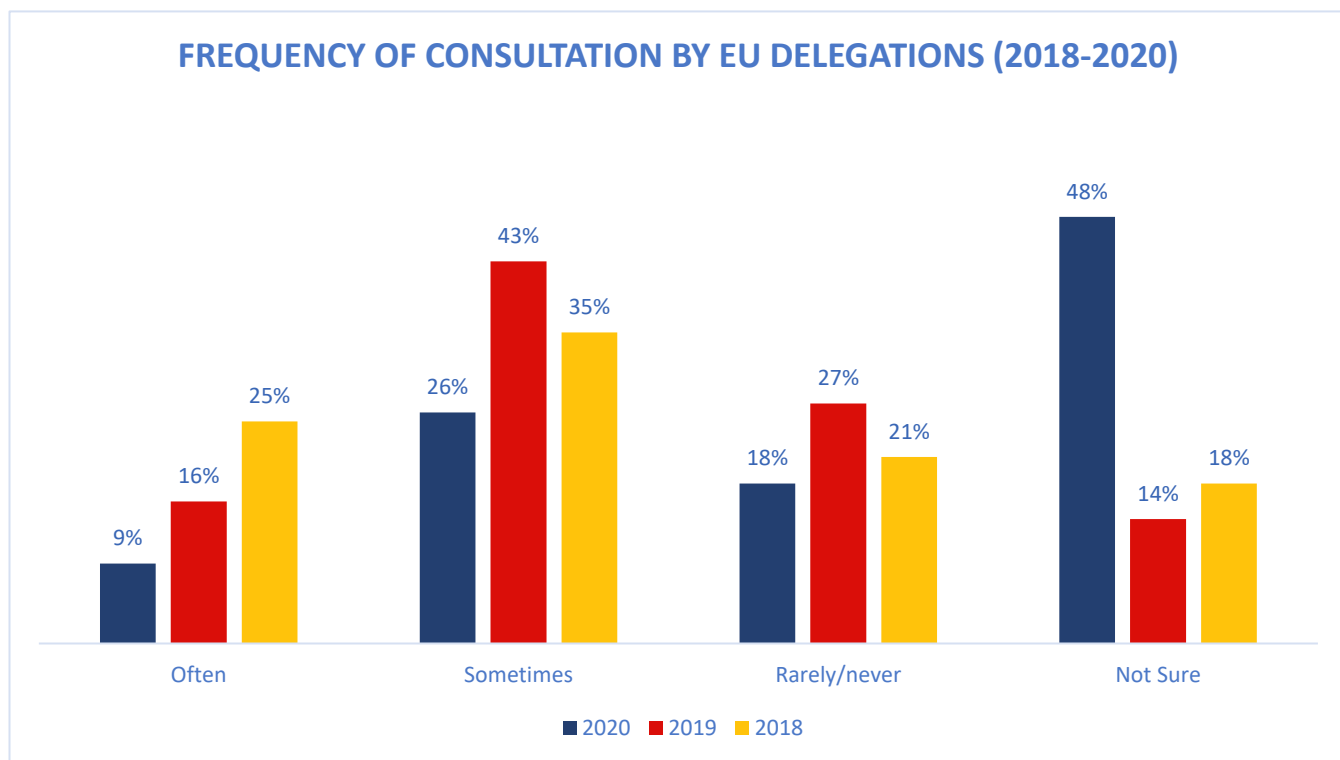
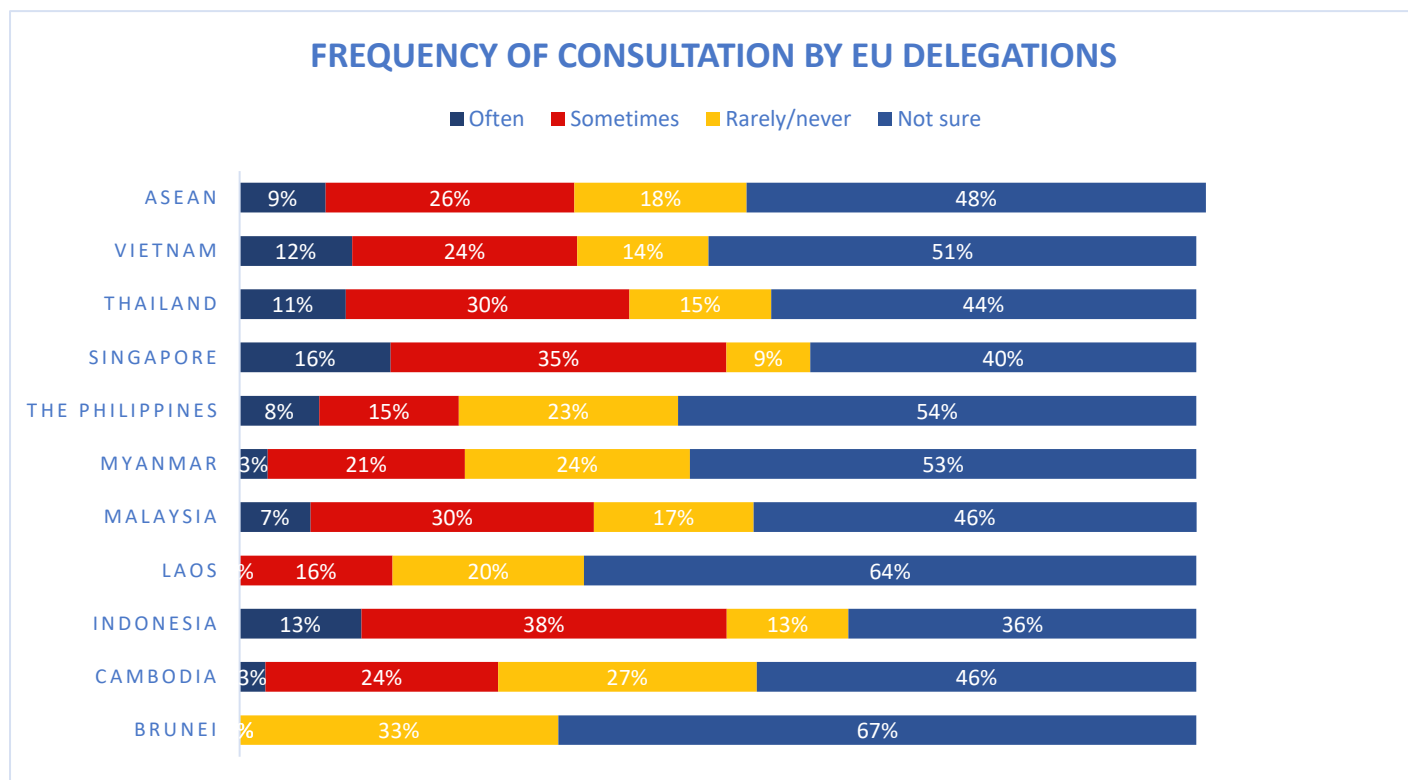


PERCEPTION OF SUFFICIENT EU ENGAGEMENT WITH EUROPEAN BUSINESS INTERESTS IN ASEAN (2018-2020)



The reported frequency of consultation by EU delegations follows a similar trend, with only 35% believe they are often or sometimes consulted by EU delegations (59% - 2019).

Among ASEAN countries, Singapore and Indonesia scored better relative to others.

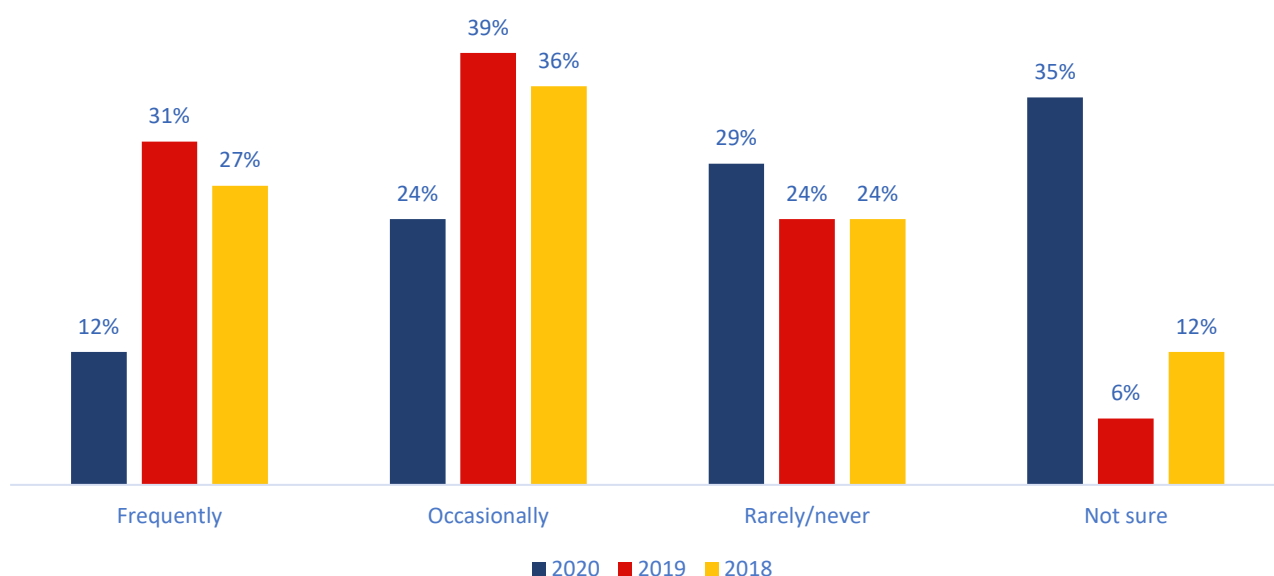


Improving competitive situation for European businesses in ASEAN

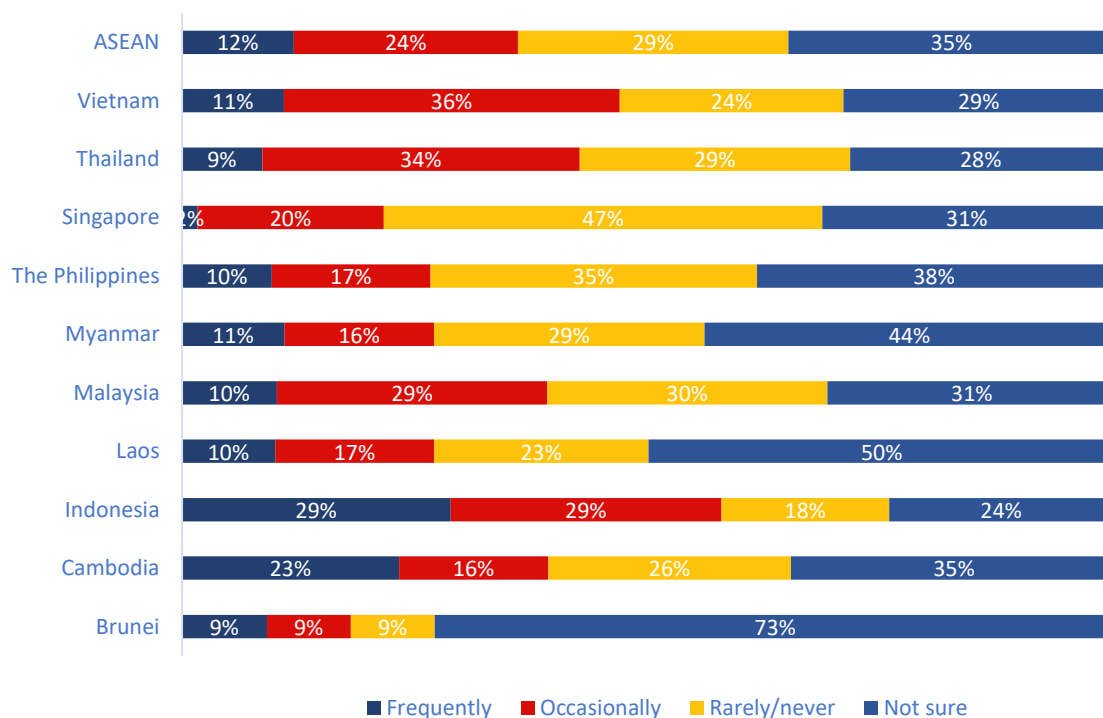
This year, there is a large reduction in perception of unfair competitive practices for European businesses, with only 36% of respondents reporting frequent or occasional unfair competitive practices in ASEAN, significantly bucking the trend from previous years.

(2019 – 70%, 2018 – 63%) Among ASEAN countries, European businesses in Indonesia reported the highest frequency of facing frequent or occasional unfair business practices.

PERCEPTION OF EUROPEAN BUSINESSES FACING UNFAIR COMPETITIVE PRACTICES IN ASEAN (2018- 2020)



PERCEPTION OF EUROPEAN BUSINESSES FACING UNFAIR COMPETITIVE PRACTICES IN ASEAN

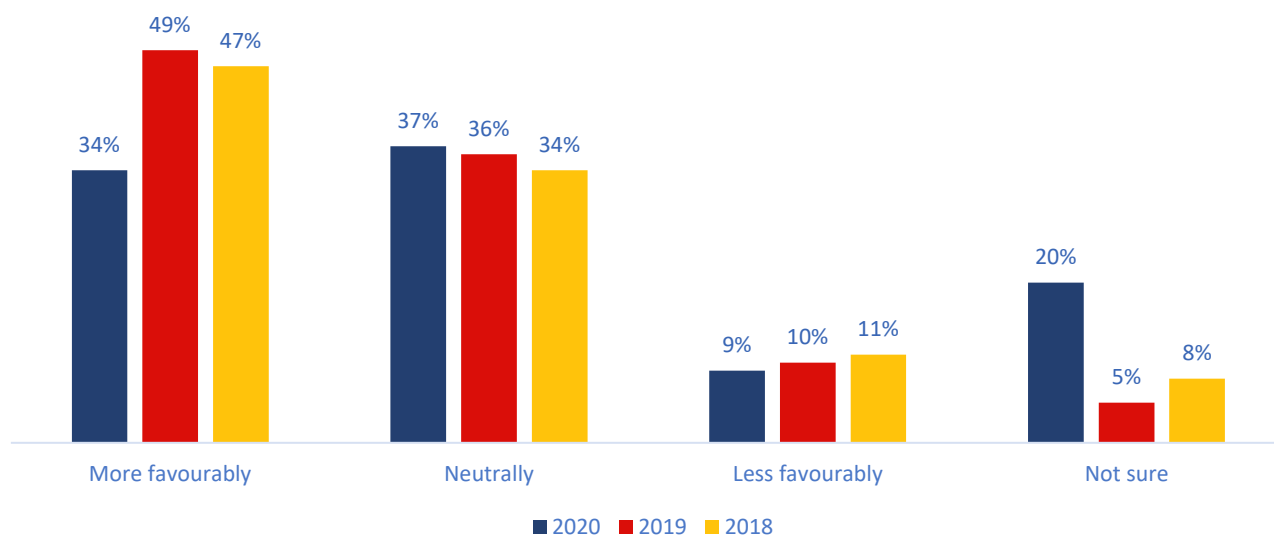


Large fall in favourable perception of European businesses in ASEAN

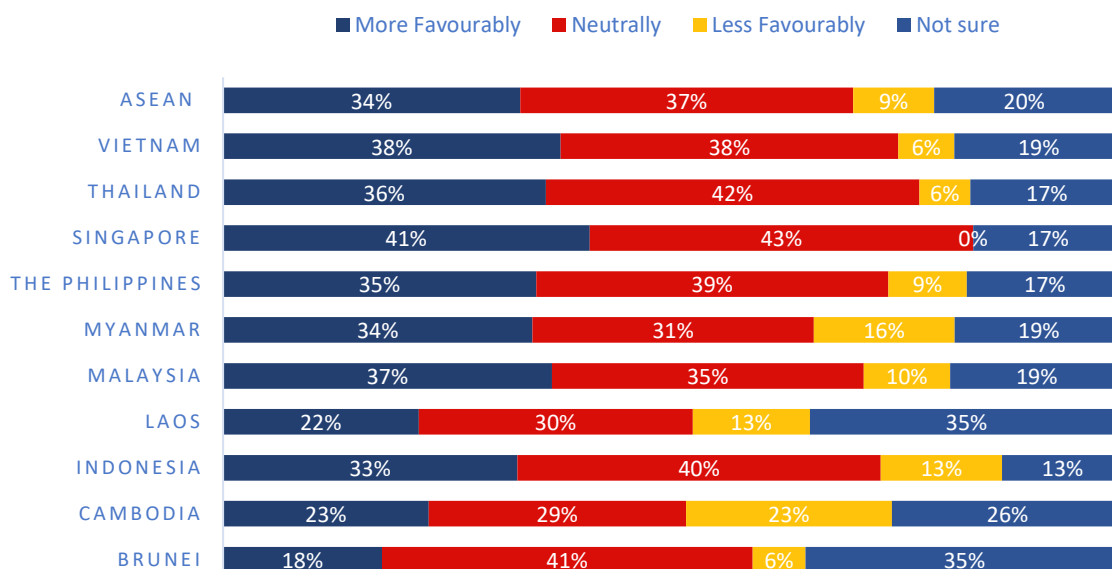
Less European businesses feel they are perceived more favourably over their Asian counterparts (34% in 2020 vs. 49% in 2019). A larger percentage (20%) were “not sure”. In every country except Cambodia, the

percentage of responses reporting “more favourable” perception exceeds “less favourable” by a large margin.

PERCEPTION OF EUROPEAN COMPANIES COMPARED TO ASIAN COUNTERPARTS OPERATING IN THE REGION (2018-2020)

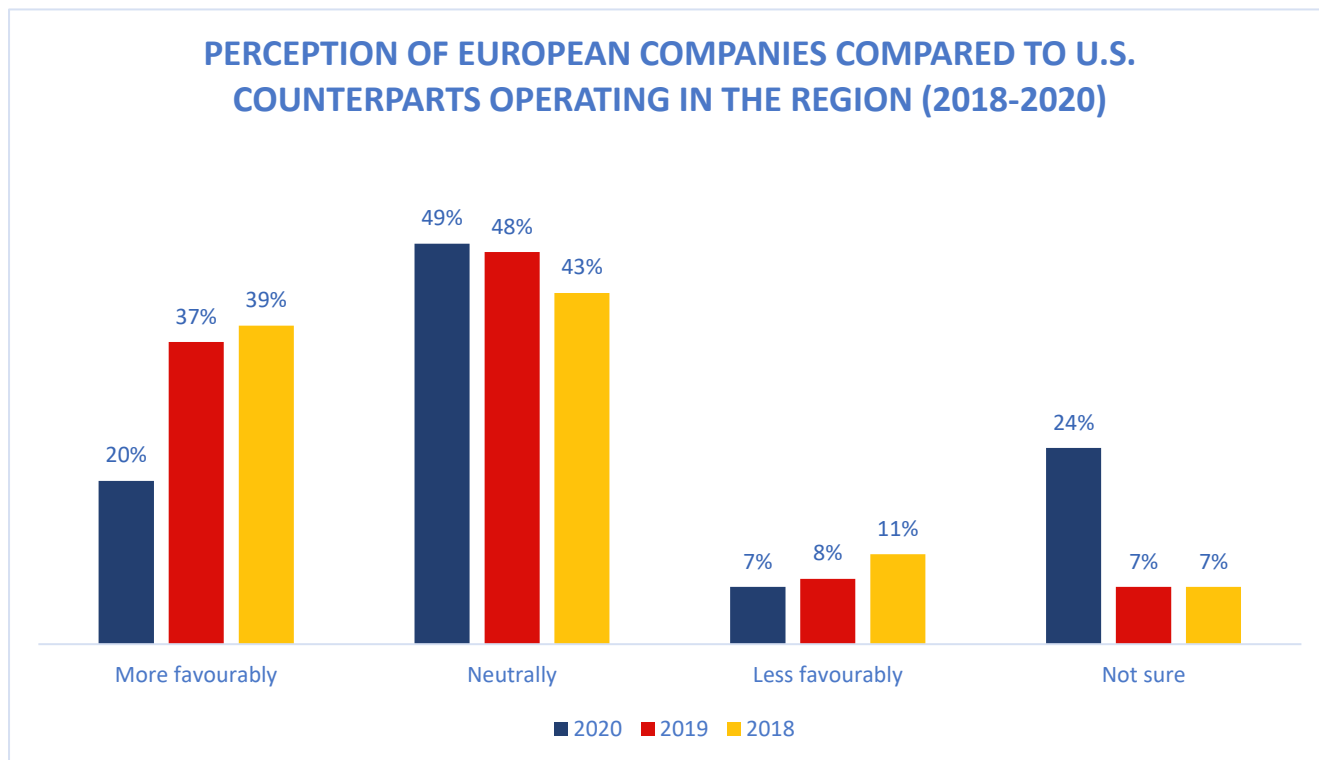
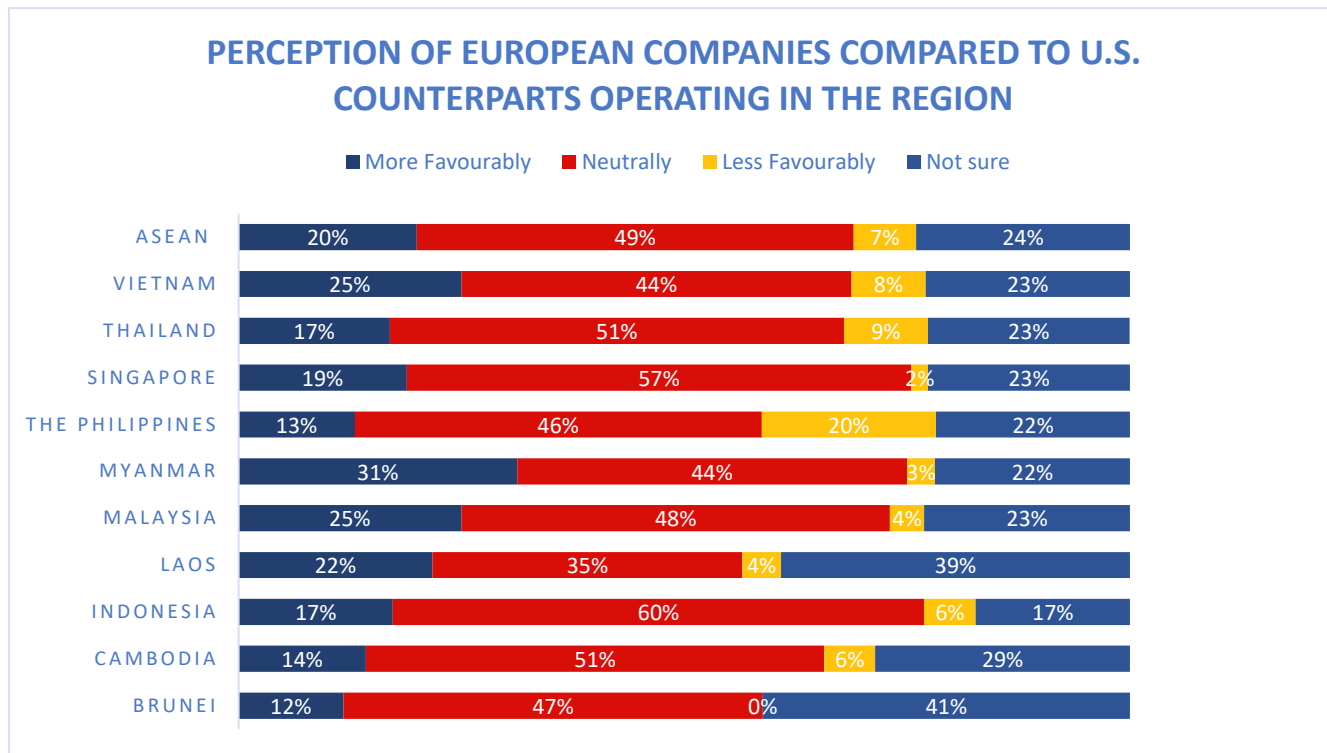


PERCEPTION OF EUROPEAN COMPANIES COMPARED TO ASIAN COUNTERPARTS OPERATING IN THE REGION



A similar trend is also noted when comparing the perception of European companies vs. US counterparts. 20% of European companies believe they are perceived more favourably, a drop compared to

37% in 2019. In every country except the Philippines, the percentage of responses reporting “more favourable” exceeds the percentage reporting “less favourable” by a large margin.



CONCLUSION & IMPLICATIONS FOR ACTION

European businesses continue to see ASEAN favourably as a destination to invest in and do business with, but there are signs that the enthusiasm is tempering. The ASEAN Economic Community and economic integration is viewed as less important. European businesses also want more support from the European Commission, and quicker action on trade deals with ASEAN.

European businesses still see ASEAN as the region with the best economic opportunity. As would be expected during the COVID-19 crisis, prospects for increased trade and investment shows signs of softening, although a large proportion still believe they will be expanding their levels of trade and investment in the region.

However, other regions are starting to attract interest from European businesses. There is a small but growing proportion of respondents who see regions such as North Asia and Africa as areas with good economic opportunities in the next 5 years. When asked which region or country respondents were likely to look to source more for supply post-pandemic, **ASEAN was the top choice for potential relocations, but Europe and China were close behind.**

Fewer have faith in ASEAN's economic integration agenda. Overly complex and burdensome customs procedures, the continuing prevalence of non-tariff barriers to trade and the slow speed in which ASEAN is achieving these goals are obstacles for the region's economic development. As such, there is a perceived lack of need to put in place strategic plans based on the AEC – local business strategies are already sufficient.

Calls for a region-to-region FTA and the need for faster action on more trade deals between the EU and ASEAN remained high.

There are **concerns on the level of consultation undertaken by both ASEAN governments and the European Commission**, with sharp declines in the levels of interaction being reported. With governments focused on handling the health and economic ramifications of the COVID-19 pandemic and travel restrictions, it may be indeed more difficult to maintain communication.

Overall, European businesses shows continued optimism towards ASEAN. However, ASEAN must also address the underlying concerns expressed by respondents in a time of heightened competition for trade, investment and jobs post-pandemic.

ABOUT THE EU-ASEAN BUSINESS COUNCIL

Who We Are

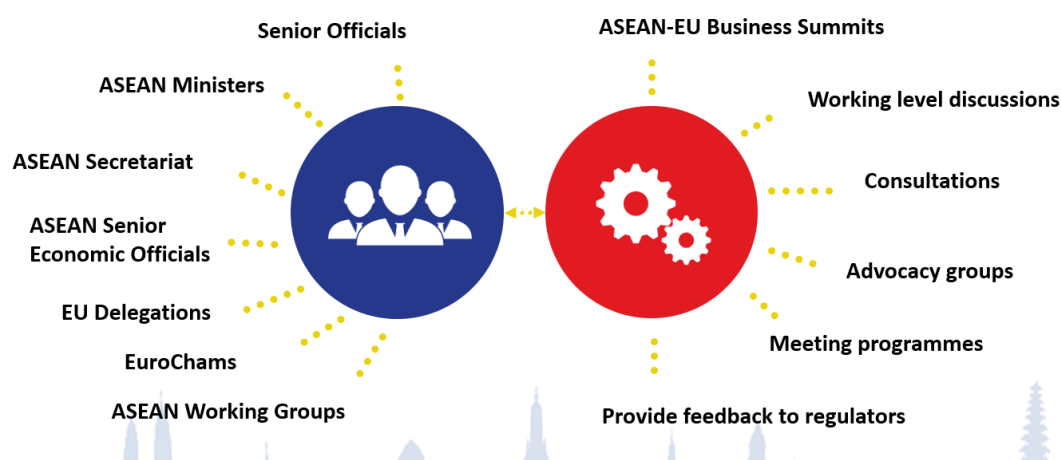
- The **only** officially recognised pan-ASEAN European business body
- Official consultation partner of ASEAN and the European Commission
- Accredited ASEAN Entity under Annex 2 of the ASEAN Charter
- A membership driven advocacy body – working for the liberalisation of the trade and investment climate in ASEAN and between ASEAN and Europe.

What We Do

- Advocate for the removal of barriers to trade and business on behalf of European industry across multiple sectors
- Advance the interests of European businesses in ASEAN with both the authorities in Europe and in the ASEAN Member States
- Act on behalf of our Members to assist them in their most pressing business needs in ASEAN
- Act as the lead consultative body for European Business with both ASEAN and the European Commission on business and industry matters in South East Asia

How We Deliver

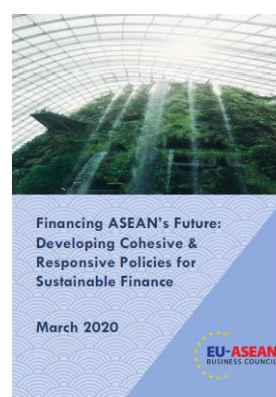
- High level Ministerial meetings in ASEAN (Finance Ministers, Trade Ministers etc.) and Europe (Commissioners).
- Working level discussions with Senior Officials in both regions – at the European Commission, ASEAN Secretariat and ASEAN Member States
- Regular Mission Trips to ASEAN Member States where we meet Ministers and Senior Officials
- Workshops with ASEAN-level working groups
- Publication of Position Papers to help focus the debate and discussion, on both sector and cross sector issues
- Regular media engagement to highlight issues of key concern
- Regular delivery of information and updates to our Members



Our Members



Our 2020 Publications



To read the full versions of our reports please visit www.eu-asean.eu/publications

Synopsis of the reports above are shown on the following pages.

Sustainable Health for Sustainable Wealth



Sustainable Healthcare Financing is the Council's first deep dive paper, tied to the 2019 set of advocacy topics.

- ✓ Research kicked off at the ASEAN Health Summit
- ✓ Index of global best practices, case studies
- ✓ Interviews with 30 public/private stakeholders
- ✓ Full representation of the industry ecosystem – policymakers, payers, providers, pharma, among others
- ✓ Outlining the issues of whole system inefficiencies, and providing an actionable checklist for financing sustainability

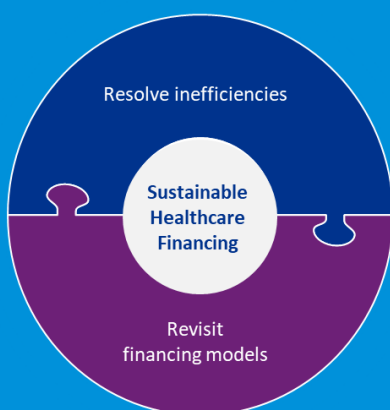
Demand for Healthcare is rising – as are the gaps

Solutions to resolve inefficiencies are available...

Demand is unprecedented	<ul style="list-style-type: none"> All ASEAN countries will officially be "aged societies" within 20 years Losing 9 million people annually to NCDs, and representing 30% of ID cases Spending less than 5% of GDP on healthcare, with UHC scores below 70
Whole system inefficiencies underutilise the existing budgets	<ul style="list-style-type: none"> Child immunisation rates remain below 70%, despite the continued outbreaks Despite rhetoric, less than 10% of budgets allocated to prevention programmes The purchasing of healthcare services does not incentivize value Similarly, the purchasing of medical technology does not recognise value There is a lack of human capital, and unfortunately this will always be true
Financing base is unsustainable	<ul style="list-style-type: none"> Tax collection below the 15% GDP ratio target, with 80% in informal economy OOPE on healthcare is 40% (target = 20%), keeping households in poverty To compound the above, risk pooling by socioeconomic status is fragmented

Mindset Shift	<ul style="list-style-type: none"> Evolve from "health-for-all" (UHC) to "health-for-wealth" (sustainability) Recognise that the demographic dividend should be harnessed immediately Healthcare should be a topic across government depts., with common KPIs
Making "Prevention" a Reality	<ul style="list-style-type: none"> Life-course immunisation is one of the greatest public health interventions There are countries moving the needle on encouraging health lifestyles Investing in early detection and intervention is a method that pays for itself
Nextgen Healthcare Services	<ul style="list-style-type: none"> Primary care is the bedrock of UHC, and must be better used that way The practice of self-care saves money and drives individual accountability Improve resource utilisation such as by task shifting and "digital revolution"
Evidenced-Based Decision-Making	<ul style="list-style-type: none"> There are a variety of healthcare services purchasing models fit-for-purpose (blended, bundled, cost containment, cost sharing) Countries can also assess the value that medical technology innovation brings

SUMMARY OF KEY RECOMMENDATIONS



"Health-for-wealth"

Transform how healthcare is viewed – from a cost item to key driver of economy – to make healthcare a forefront agenda across Ministries

Prevention

Prioritise three main initiatives – immunisation, encouraging healthy lifestyles, and early detection to reduce future healthcare expenditure

Nextgen healthcare service delivery models

Promote the use of cost-effective delivery models: primary care, self-care, and digital interventions to share the load off of hospitals

Human capital

Develop and extend the role of health practitioners such as nurses and pharmacists to alleviate doctor shortages

Composite funding and emerging platforms

Secure funds through both tax and social health insurance contribution, unify fragmented schemes, leverage private insurance to close financial protection gap

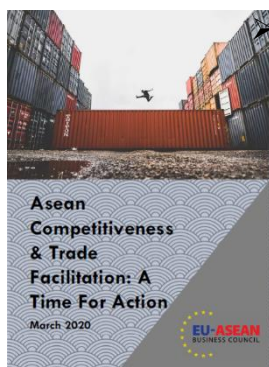
Explore other novel funding models to complement traditional revenue sources such as SIBs, crowdfunding, individualised healthcare savings accounts, earmarked plans



See: www.eu-asean.eu/publications for the full report.



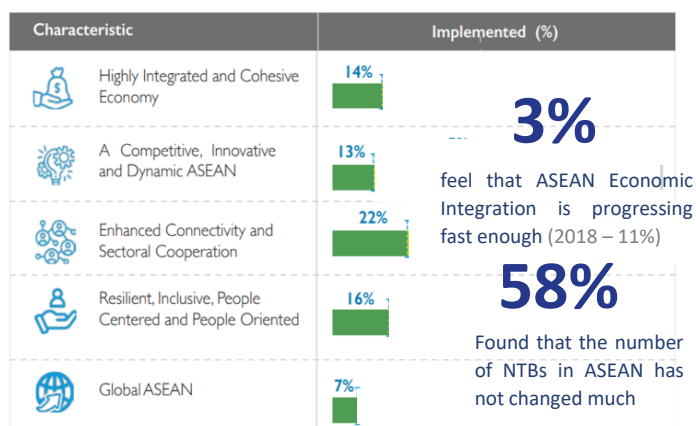
ASEAN Competitiveness & Trade Facilitation: A Time for Action



Paper is the latest in an annual series looking at trade facilitation issues in ASEAN connected to progress on the AEC. Focus this time on:

- ASEAN Competitiveness
- Non-Tariff Barriers in ASEAN
- Lack of progress on AEC
- Lack of progress on advancing intra-ASEAN Trade

Progress on the implementation of the AEC Blueprint is severely lacking

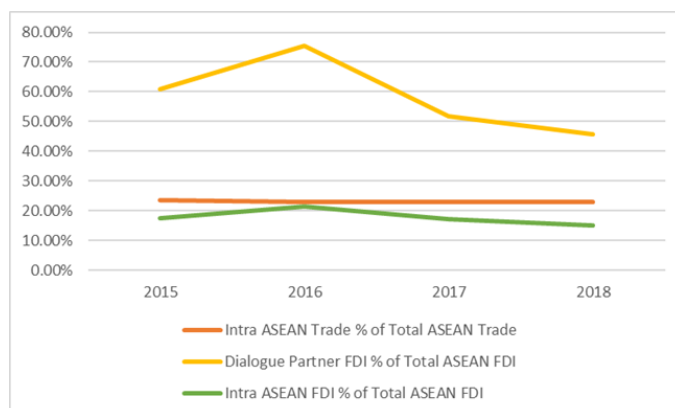


Source: ASEAN Prosperity Initiative (2019), EU-ABC 2019 Business Sentiment Survey

World Economic Forum Global Competitiveness Report

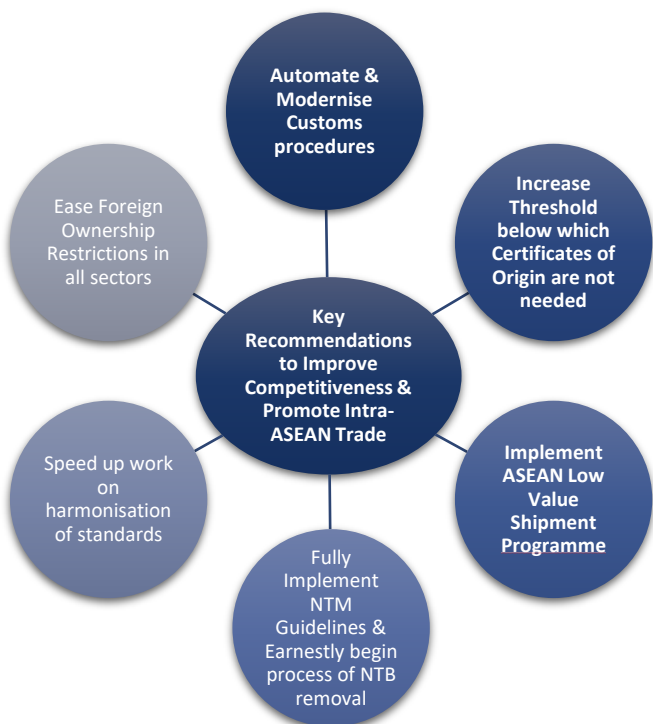
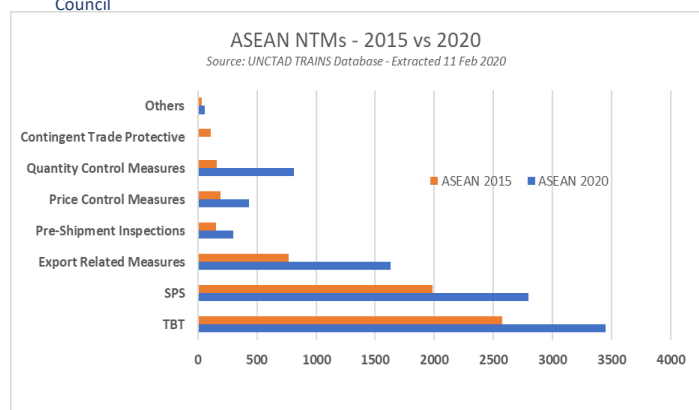
Country	2017	2019	Δ 2017-19
Brunei Darussalam	46	56	↓
Cambodia	94	106	↓
Indonesia	36	50	↓
Lao PDR	98	154	↓
Malaysia	23	27	↓
Myanmar	-	-	-
Philippines	56	64	↓
Singapore	3	1	↑
Thailand	32	40	↓
Vietnam	55	67	↓

Intra-ASEAN Trade remains very low as a proportion of all ASEAN Trade & FDI from Dialogue Partners is falling



“Absent a much clearer, more sustained and tighter focus on reducing the number and scope of existing NTMs and eliminating NTBs, ASEAN will not accomplish the objectives of the AEC and it will fail to meet the targets contained in the AEC Blueprint 2025. Growth will not be as high as ASEAN Member States could have achieved and much of the promise embedded in the ASEAN exercise will have been lost.”

NTBs in ASEAN and their elimination: A business perspective – June 2019, ASEAN Business Advisory Council, Asian Trade Centre, EU-ASEAN Business Council



Financing ASEAN's Future: Developing Cohesive & Responsive Policies for Sustainable Finance

Rising costs associated with climate change continue to impact populations and GDP across ASEAN as seas rise and extreme weather events become more commonplace⁵. At the same time **the United Nations ESCAP reported in 2019 that ASEAN is likely to miss all 17 United Nations Sustainable Development Goals (SDGs) by 2030⁶**. Challenges related to climate change and the socio-economic issues that are the focus of the SDGs become more interlinked with each passing year. **These global issues cannot be tackled by the public sector alone: they require a coordinated effort with the private sector to be successful.**

Shifting funds towards investments that meet the socio-economic needs of emerging economies while not locking in carbon emissions for decades to come will require a long-term vision. No single country will be able to achieve this objective alone, which makes it critical that ASEAN countries act in collaboration to put in place the right policies to support sustainable finance initiatives across the region. A region-wide approach to these issues which reference global efforts to fight climate change and achieve the SDGs will enhance the positive impact of individual country initiatives.

Increasingly, investors will be examining investment opportunities and measuring them against a broad range of ESG factors, including impact on the environment. **Through enhanced corporate disclosure on ESG, a collaborative policy approach and the use of global standards ASEAN can help firms understand the opportunities for investment in their countries and respond effectively.**



Develop ASEAN-wide "Taxonomy" Principles for Sustainable Finance



Enhance ESG Disclosure - Regional wide mandatory disclosure



Development of ASEAN-wide framework for Green Finance & Blended Finance



Raise awareness for investors and issuers of need for Green/Sustainable Finance



Ensure consistency of treatment through international/local ratings agencies

⁵ <https://www.unescap.org/blog/confronting-new-climate-reality-asia-and-pacific>

⁶ https://www.unescap.org/sites/default/files/Part_I_Asia-Pacific_SDG_Progress_Report2019.pdf

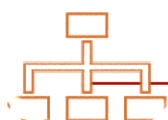


The digital economy in Southeast Asia has been one of the region's success stories. However, much more needs to be done to ensure that ASEAN can achieve a projected US\$300 billion internet economy in 5 years, especially in the area of data governance. How should ASEAN leaders think about data governance at a time when global data flows are contributing more to economic growth?



SECURE CROSS BORDER DATA FLOWS

Recognise that data is the lifeblood of the new economy and data localisation policies do not support its growth.



INTEROPERABLE DATA CLASSIFICATION FRAMEWORK

Data should be classified using the same tiers and standards across different sectors as far as possible, while recognising that certain sectors may have special requirements.



COMPATIBILITY WITH GDPR

ASEAN to be GDPR compatible where some elements are adopted to local law. This will also reduce compliance costs.



ISO STANDARDS

GDPR does not prescribe technical standards and the use of ISO standards is recommended.

Key Recommendations to Promote Cross Border Data Flows

- **ASEAN member states need to permit secure cross border flows according to rules which are harmonised as much as possible.** EU-ABC respects the need for special treatment of sensitive data but does not support data localisation. Instead, the council encourages government to permit data transfers in the regular course of business, with exceptions where necessary for privacy or security purposes.
- **ASEAN member states permit secure flows of data across borders under harmonised norms, compatible with GDPR.**

Key Recommendations to enhance Data Management

- **ASEAN to develop a coherent, transparent and consistent data classification framework which can promote interoperability across sectors.** This will facilitate data to flow easily, efficiently and securely within and across multiple sectors.
- **Setting Standards - Act Local, Think Global:** This hybrid Data Governance approach does not encourage ASEAN Member States to transform local law to become identical with GDPR. Instead, it advocates local laws to be GDPR compatible.
- **Mandate companies to adhere to international standards:** Such consistent standards can help structure and categorise shared data sets. This will help businesses, especially SMEs build trust with different partners and stakeholders in the region.

Inclusive Insurance Ecosystem: Long-term Investment, Digital Innovation & Sustainable Healthcare

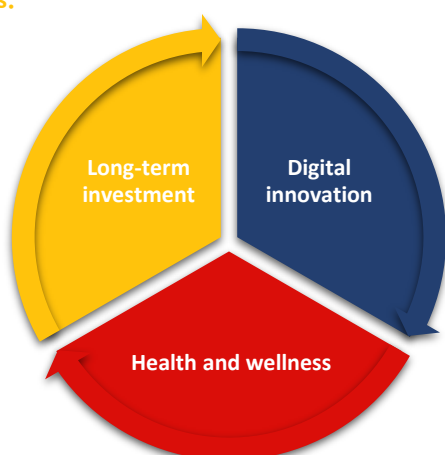
Today, around 25 European insurance companies operate across ASEAN, serving the population's insurance, savings, retirement and investment needs. European insurers contributed a quarter of gross premiums in six major ASEAN states in 2018.

The paper presents a top-level plan for the insurance industry to support ASEAN's development - an **inclusive insurance ecosystem** built with three interlocking constituents.

INCLUSIVE INSURANCE ECOSYSTEM

Grow insurance funds and their investment in infrastructure and corporations.

Provide better, additional services at lower cost to more people.



Prevent and manage illness for longer, healthy lives.

Growth of the insurance sector drives sustainable economic growth:

- ✓ Provides long-term finance for infrastructure and corporations;
- ✓ Supports technology innovation, including technology start-ups;
- ✓ Generates extra tax revenue and reduces the burden on public healthcare & welfare budgets;
- ✓ Encourages healthy living and a more productive workforce.

The recommendations made by the EU-ABC are intended to help ASEAN countries not only improve the population's wellbeing by upgrading care delivery and health management, but also mobilise billions of dollars of domestic savings to support ASEAN's economic growth.



Focused Areas	Recommendations
Long-term investment	<ul style="list-style-type: none"> Insurance regulators to introduce solvency regimes and investment rules that are both risk appropriate and serve the wider investment needs of the country. Government initiatives to increase the supply of investment-ready projects; and pilot products to facilitate the flow of insurance funds into infrastructure projects. Financial policymakers and Central Banks to prioritise the development of capital markets in addition to bank financing. Fiscal policymakers to introduce/enhance personal income and corporate tax deductions to encourage the uptake of private insurance.
Digital innovation	<ul style="list-style-type: none"> Legislators to introduce national privacy laws that address data privacy and governance concerns maximise the free flow of data securely across borders. Regulators to develop guidelines regarding ethical issues and the use of Big Data and AI in the insurance sector. Regulators to apply equal regulation to both existing players and new entrants throughout the insurance value chain, including equal access to participate in "regulatory sandboxes".
Health and wellness	<ul style="list-style-type: none"> Fiscal policymakers to introduce/enhance personal income and corporate tax deductions to encourage the uptake of private insurance. ASEAN to develop a regional digital health strategy to outline regional goals and strategic priorities as well as implementation rules and policies. Governments to introduce PPP financial instruments such as Social Impact Bonds to supplement the funding of healthcare reforms. Governments to drive healthcare reform across Ministries through e.g. a common healthcare-related KPI.



Bridging the Gap: Funding of Sustainable Infrastructure in ASEAN

WHAT IS ASEAN'S INFRASTRUCTURE NEED?

Between
US\$2.8 TRILLION
AND
US\$3.1 TRILLION
from 2016 to 2030 (baseline estimate & climate adjusted estimate respectively)

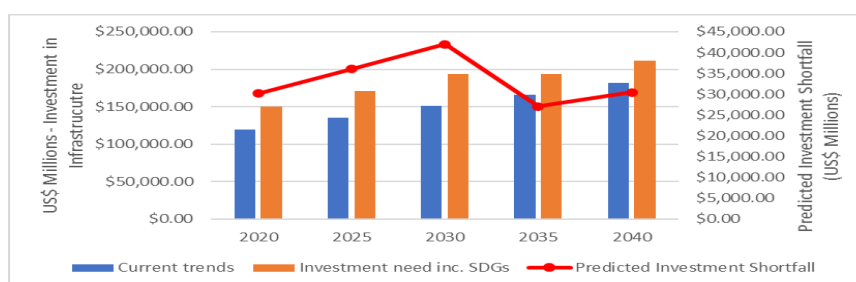
This translates to
US\$184 BILLION PER ANNUM
meaning a
US\$92 BILLION FUNDING GAP PER ANNUM
IN ASEAN

Source: Understanding infrastructure opportunities in ASEAN: Infrastructure Series Report 1, PwC, 2017 after ADB 2017 Report "Meeting Asia's infrastructure needs"

Some of the most crucial long-term investments in ASEAN to be made in the short to medium-term are around infrastructures, which will enable economies to grow in a sustainable, inclusive way and contribute to the achievement of the UN SDGs. Sustainable infrastructure, and the financing of this are two sides of the same coin – ultimately the objective is for ASEAN countries to put the infrastructure building blocks in place to enable sustained investment and growth, creating a legacy that will benefit ASEAN and its many citizens, businesses and nations for generations to come.

ASEAN Infrastructure Investment Needs vs Current Trends

Source: Global Infrastructure Outlook using data extracted on 26 January 2020



Develop Capital Markets Further



Enhance Long-Term Investment Vehicles



Expand Blended Finance to grow Private Sector Participation

Take a total cost of ownership approach
Ensure that the decisions truly do contribute to sustainable economic development

- Standardisation of reporting & documentation
- Consistency of treatment of projects through ratings agencies
- Creation of regional capital hub
- Encourage asset securitisation & promote product innovation

- Greater urgency to improve investment conditions and the offering of non-discriminatory regulatory regimes that encourage greater participation by insurers in long-term investments

- Toolbox of instruments to common financing impediments
- Simply access to risk mitigation instruments
- Construct Project Pipeline of bankable projects
- Boost role of InfraAsia to bring projects to market

Time and time again, and not only in ASEAN, there are infrastructure projects that have failed due to decisions based only lowest capital cost, compromising quality and efficiency, and incurring both unexpectedly higher project and operational costs at a later stage.

Advancing ASEAN's Circular Economy Agenda



ASEAN is facing a crisis like never before. COVID-19 has disrupted supply chains, plunged stock markets, and has taken the lives of thousands of people. As Covid-19 traces its way through the region, economies have begun to implement exit strategies, and now more than ever, sustainability needs to be used as an anchor moving forward. Such an approach will promote long term resilience, preparedness, and competitiveness.



Herein lies an opportunity for ASEAN leaders to develop recovery plans, centred on circularity. Well crafted, it would not only mitigate the socio-economic damage wrought by the pandemic, but also prevent future scenarios from getting so far out of hand. ASEAN should now be able to chart a development path which calls for a fundamental realignment of our society's production and consumption patterns – which assumes a myopic worldview of limitless resources and waste absorption capacity.



This approach will benefit ASEAN socioeconomically and below are the Council's recommendations on how ASEAN can gradually transition towards a more people-centric model. The time for ASEAN is now.

National Governments

Short Term

- Remove regulatory barriers to the transport, reprocessing and reuse of post-consumer materials
- Establish the systems upon which a circular economy for plastics is founded, including waste collection, separation and reuse
- Provide structural and economic support for recyclable and recycled materials, for example by ensuring the economic viability of recycling in municipalities where it does not exist or is insufficient
- Start to price negative externalities, so that economic actors can take them into consideration when designing, manufacturing, using and discarding products (e.g. waste charging)
- Establish medium- and long-term goals in consultation with industry, academia and other interested stakeholders, with transparent circularity indicator metrics and regular milestones along the way
- In establishing Circular Economy goals, metrics and frameworks, take full advantage of the standards already established or in process under the International Standards Organization (ISO)

Medium – Long Term

- Invest in circular economy education, training, innovation incubators, and transition projects, with particular focus on those with (a) high circularity indicator scores, (b) positive social impacts and (c) the capacity to scale
- Develop policy a framework to integrate informal waste workers into a modernised waste / material recuperation sector, through participatory and consultative process and support. This could be achieved by developing capacities and skills to enhance livelihoods and social welfare security in collaboration with industry via. Public private partnership
- Standardisation of recycling labels across ASEAN: align with international standards. The Council suggest setting goals, metrics and frameworks based on established or emerging international standards (e.g. for recycled plastic, biodegradable plastic, etc) from ISO.

ASEAN Secretariat

- Build an ASEAN-wide research and innovation network on sustainable polymers, packaging and circularity.
- An ASEAN framework agreement on plastic pollution could be negotiated to create a common regional approach. Currently there is
- ASEAN Framework of Action on Marine Debris, which was adopted by all states in 2017. However, a wider regional agreement would demonstrate the resolution and ability of ASEAN Member States to jointly address common challenges and could set a precedent for a future global agreement on plastics



ANNEX: RESPONDENTS' PROFILE AND METHODOLOGY

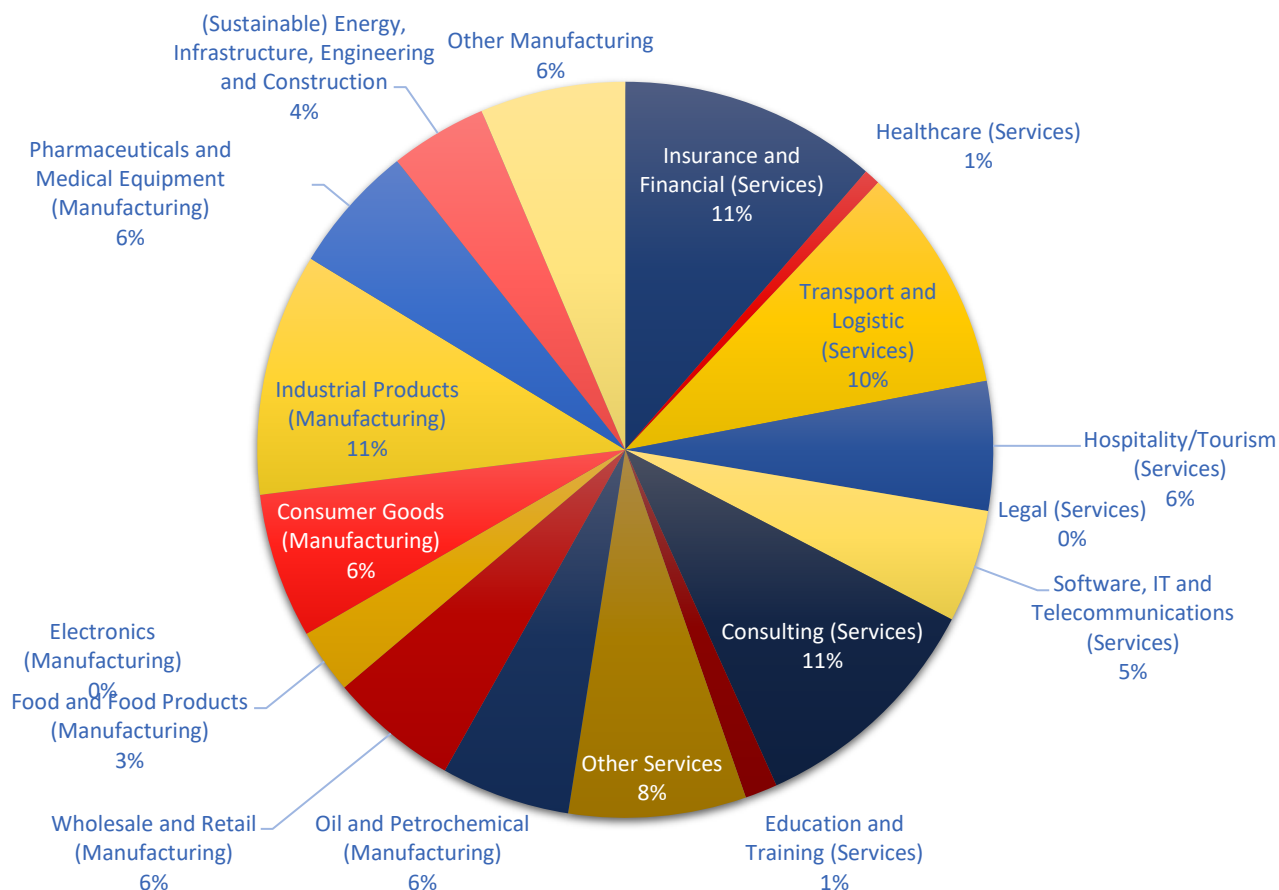
Survey respondents submitted their responses either through on-line links from newsletters and/or websites from the EU-ASEAN Business Council and the respective European Chambers of Commerce in each ASEAN country, or via e-mail contact from those organisations from April 2020 to July 2020. In total, 680 responses were recorded. All responses were made confidentially and online. Using a similar methodology in 2019, 301 responses were recorded.

The survey results represent the business sentiment of respondents and are not intended to be a reflection on actual business situations or a commentary on specific current policies or government activities. While the aggregated responses at a regional level are statistically significant, the responses on a country / industry-level are presented only for the interest of readers.

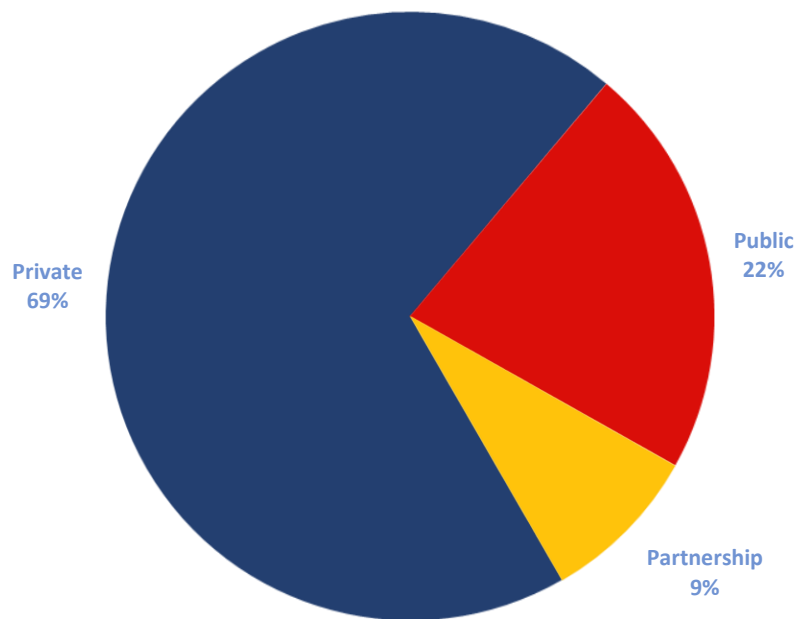
For certain questions, sample sizes at country / industry-level are limited, and results should therefore be read with caution. Differences in results at a country / industry-level should not always be read as statistically significant. The number of respondents also vary for each question as respondents do not necessarily complete all questions in the Survey.

This year, we have revised our methodology to provide a greater degree of granularity. For companies with operations in multiple locations, we have asked respondents to respond separately for each country in which they operate in. On other questions calling for a region-wide response, each respondent would only give one response, even if they have operations in multiple locations. Based on this new methodology, the 2018 and 2019 numbers reported in this report are not directly comparable to those in the 2018 and 2019 Business Sentiment Survey because this year's report has endeavoured to restate the 2018 and 2019 numbers on the same methodology.

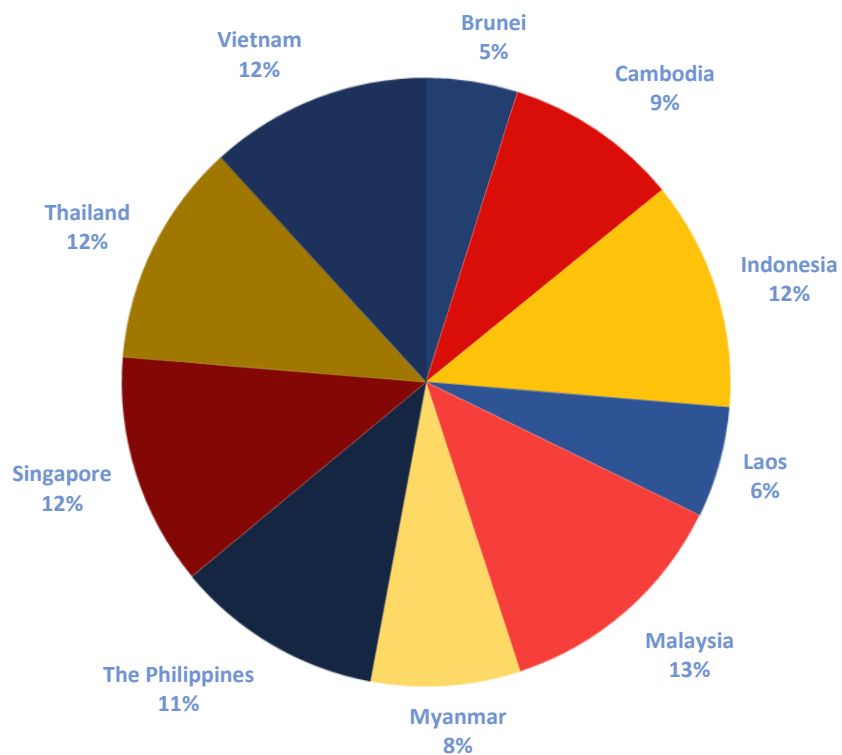
RESPONDENT BREAKDOWN BY INDUSTRY



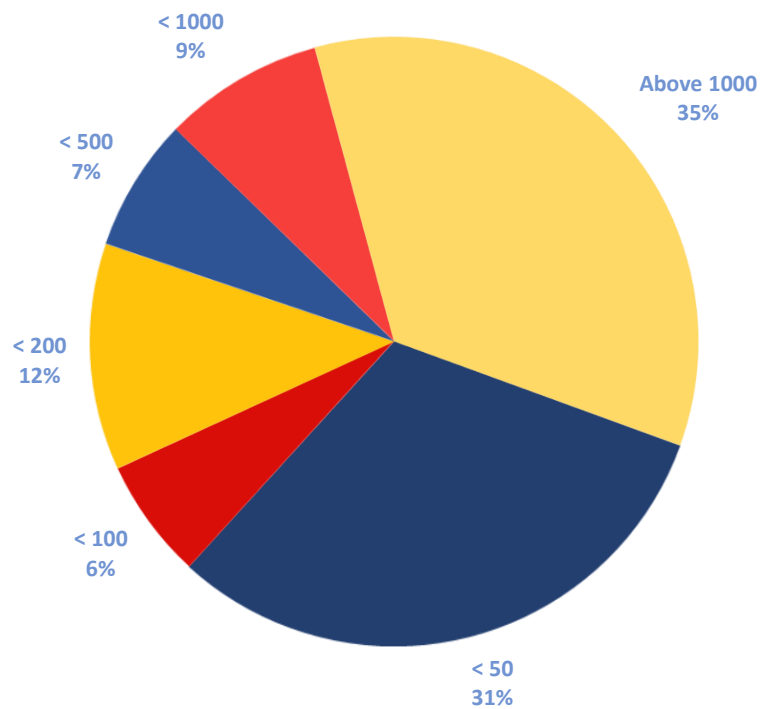
RESPONDENT BREAKDOWN BY OWNERSHIP STRUCTURE



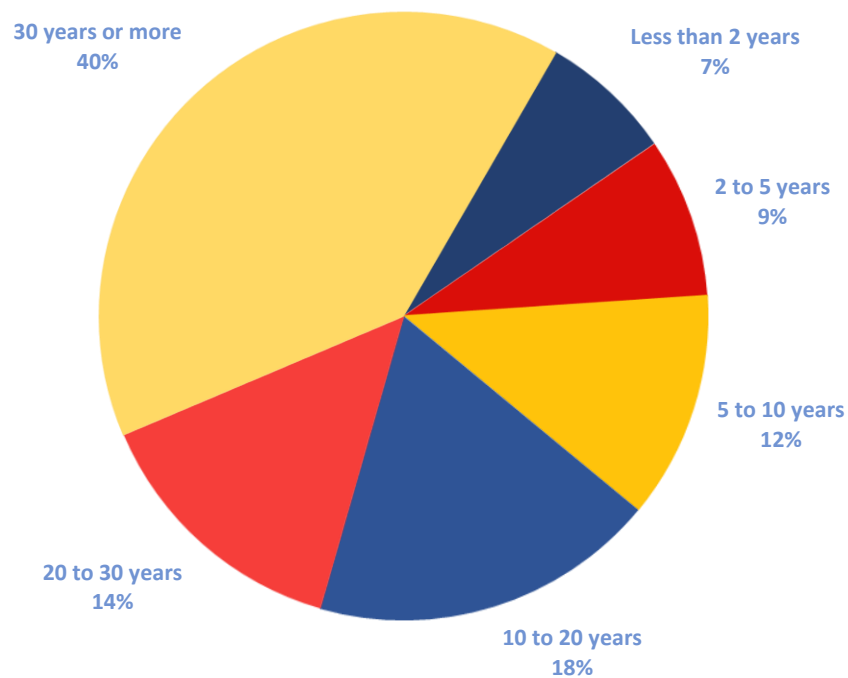
RESPONDENT BREAKDOWN BY RESPONSE LOCATION



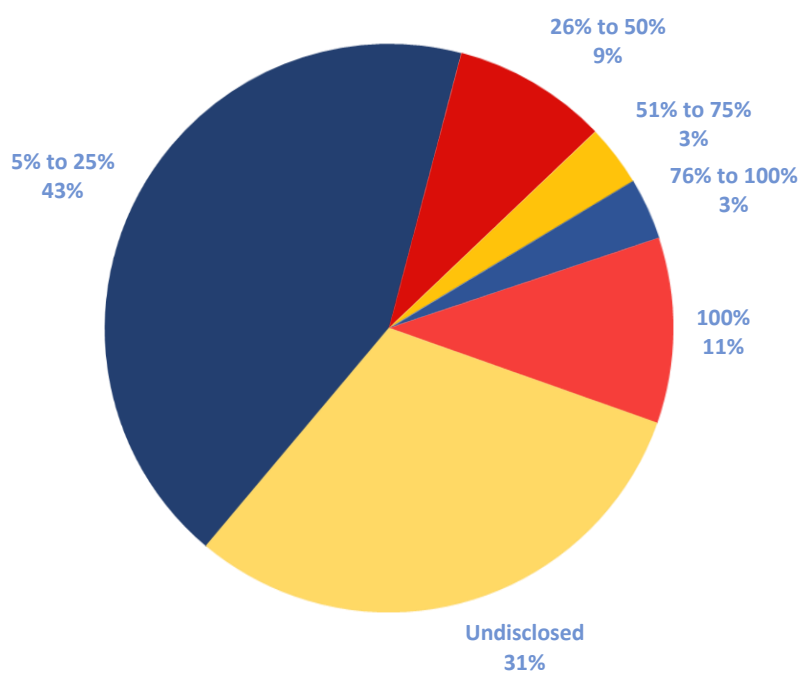
RESPONDENT BREAKDOWN BY NUMBER OF EMPLOYEES



RESPONDENT BREAKDOWN BY PRESENCE IN ASEAN



RESPONDENT BREAKDOWN BY TURNOVER IN ASEAN AS % OF WORLDWIDE TURNOVER





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Corporate partners



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Bilaterals & Associate Chambers





EUROPEAN BUSINESS AT THE HEART OF ASEAN



EU-ASEAN Business Council (EU-ABC)

The EU-ASEAN Business Council (EU-ABC) is the primary voice for European businesses within the ASEAN region, being endorsed as it is by the European Commission and recognised as such by ASEAN. 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.

Our Members

The EU-ABC's membership consists of large European multinational corporations and all of the officially recognised 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, high-end electronics and communications. Our members all have a vested interest in enhancing trade, commerce and investment between Europe and ASEAN.

Mission Statement

- ★ Advocate on behalf of European business in ASEAN
- ★ To facilitate trade and tackle its barriers
- ★ To collaborate and interact with the ASEAN secretariat
- ★ To be a dialogue partner with ASEAN governments
- ★ To contribute to and promote ASEAN integration
- ★ To support the establishment of an EU-ASEAN FTA

Member Benefits

- ★ Meaningful dialogue with policy makers and key stakeholders.
- ★ Receive regular business-focused information.
- ★ The EU-ABC provides sustained strong advocacy support and advice.
- ★ The EU-ABC can provide sustained efforts to influence policy and decision makers.
- ★ High-level engagement opportunities to engage with ASEAN policy makers.
- ★ Networking sessions with members to exchange information & ideas.



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