



11TH 
**ASEAN
& ASIA
FORUM**

Charting ASEAN towards a Sustainable and Digital Future

THURSDAY, 30 AUGUST 2018

The Ritz-Carlton, Millenia Singapore

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FORUM

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CHARTING ASEAN TOWARDS A SUSTAINABLE AND DIGITAL FUTURE

Singapore's 2018 Chairmanship of ASEAN comes at a tumultuous time. While the ASEAN economies are still doing well, there is also a great deal of uncertainty, with a new government in Malaysia, coming elections in Indonesia, as well as possible elections in Thailand. Against this backdrop, trade frictions triggered by the United States have exposed fractures in the global economy, with the Trump administration questioning the very basis of the world's economic order.

There is therefore a pressing need for the export oriented economies of ASEAN to diversify their growth engines. Over the course of its ASEAN Chairmanship, Singapore has spearheaded the ASEAN Smart Cities Network and the ASEAN Agreement on e-commerce, demonstrating how ASEAN is moving forward and up the value chain. Beyond the digital economy, ASEAN's demand for infrastructure is fuelling a new investment landscape, and businesses are facing increasing pressure to incorporate green finance into infrastructure planning.

To help businesses understand these emerging trends and the new drivers of the global economy, the Singapore Institute of International Affairs (SIIA) held our 11th ASEAN and Asia Forum (AAF) on 30 August 2018 at The Ritz-Carlton, Millenia Singapore, on the theme of "Charting ASEAN towards a Sustainable and Digital Future". The Forum brought together some 200 corporate leaders, policymakers, diplomats, academics and members of the media to advance regional thinking and collaboratively address issues ranging from infrastructure to digitisation.

Guest of Honour:

Mr. Heng Swee Keat

Minister for Finance, Republic of Singapore

Panellists:

Citi

Mr. Amol Gupte

Head of ASEAN and Citi Country Officer, Singapore

Enterprise Singapore

Mr. Peter Ong Boon Kwee

Chairman, Enterprise Singapore

Expedia Group

Mr. Ang Choo Pin

Senior Director, Government & Corporate Affairs, Asia

Indonesia Infrastructure Finance

Mr. Harold Tjiptadjaja

Managing Director and Chief Investment Officer

International Finance Corporation

Ms. Rana Karasheh-Haddad

Country Manager, Singapore

Lazada Singapore

Mr. Alexis Philippe Lanternier

Chief Executive Officer

MUFG Bank

Mr. Colin Chen

Managing Director, Head of Structured Finance Asian Investment Banking Division

Sembcorp Industries

Mr. Tan Cheng Guan

Head, Renewables & Environment Business, Sembcorp Industries

Moderators:

Associate Professor Simon Tay

Chairman, Singapore Institute of International Affairs

Ms. Chen Chen Lee

Director, Policy Programmes, Singapore Institute of International Affairs

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SECURING OUR FUTURE: INTEGRATION AND INNOVATION AMIDST TRADE FRICTIONS

The world is facing new risks and uncertainties, and what happens elsewhere in the world will affect the trade and export oriented economies of Singapore and the Association of Southeast Asian Nations (ASEAN). "Our fortune is very much dependent on what happens in other places," said **Mr. Heng Swee Keat**, Minister for Finance, Republic of Singapore, speaking at our 11th ASEAN and Asia Forum. In particular, if the current trade frictions sparked by the Trump administration escalate into a global trade war, Mr. Heng warned that the outcome will be "negative for everyone".

Trade Wars and the WTO

"Many economists who have studied this deeply have all advocated that tariff measures and retaliatory measures are not the right solution, even if you're unhappy about certain areas," said Mr Heng. From the point of view of small countries like Singapore, trade disputes should be ideally settled via the World Trade Organization (WTO) and its bodies.

Unfortunately, US President Donald Trump is a major critic of the WTO, and has threatened that the US might withdraw from the body. Mr. Heng acknowledged that there are issues with the WTO system, but he reaffirmed Singapore's support for the current rules-based multilateral order: "I am not saying that it is the perfect system today... but I do think that we can, we must, settle disagreements over a broader forum, and not on a bilateral basis."



ASEAN and the RCEP

With the US pursuing an 'America First' economic strategy, there is even more pressure on the rest of the world to push forward with economic integration. "I feel very strongly that globalisation will need to be defended, and we need to do our best to support that," Mr. Heng said.

In this context, the remaining 11 countries of the Trans-Pacific Partnership signed a version of the trade deal without the US in March this year. Now, the next goal for Singapore and ASEAN is finalising the Regional Comprehensive Economic Partnership (RCEP), which links the ten member states of ASEAN with six countries that ASEAN has existing free trade agreements (FTAs) with, Australia, China, India, Japan, South Korea and New Zealand.

The RCEP is not intended to be a protectionist grouping. "I hope that it does not lead to a fragmentation of the world into major trading blocs. The idea is not that," Mr. Heng stressed. Rather, regional deals like the RCEP can be used as building blocks for broader agreements on trade at the global level.

"Of course, we are not looking only at ASEAN. We have the challenge of thinking globally... we have to think and involve global actors," said **Associate Professor Simon Tay**, Chairman, Singapore Institute of International Affairs. "The Regional Comprehensive Economic Partnership will be a big test for ASEAN, beyond even the ASEAN Economic Community."

"Tariff measures and retaliatory measures are not the right solution... we can, we must, settle disagreements over a broader forum, and not on a bilateral basis."

– Mr. Heng Swee Keat
Minister for Finance, Republic of Singapore

Serving ASEAN and the World

In an increasingly competitive environment, ASEAN needs to consider its value in the global market. Singapore has nominated its hawker culture to be included in UNESCO's Representative List of the Intangible Cultural Heritage of Humanity, and Mr. Heng referred to this when describing his hope for ASEAN. "We don't go to a hawker centre to eat the same food every day," Mr Heng said. "The great thing about many of our good hawker centres is [they have] such a good variety."

With a regional division of labour and each ASEAN member leveraging their comparative advantages, ASEAN as a whole can cooperate for mutual prosperity. "I hope the ASEAN and Asian region will be that way too... each of us is specialising in different areas and the grouping as a whole becomes attractive," he added.

"I think, increasingly, Singapore's value is for the region. Singapore has always been here, but I am tempted to say we are at a point where it is Regionalisation 2.0. What is happening in the countries around us is quite dramatic, each of us is finding a strong growth impulse in different sectors," said Prof. Tay. "What do we bring to the table? One is our knowledge of global trends, global technologies, and global opportunities. The other is finance. Singapore is a financial hub for ASEAN. But even there, there is the need for innovation."



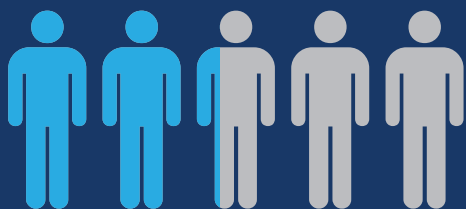
"The Regional Comprehensive Economic Partnership will be a big test for ASEAN, beyond even the ASEAN Economic Community."

– Associate Professor Simon Tay

Chairman, Singapore Institute of International Affairs

The Regional Comprehensive Economic Partnership: The World's Largest FTA

Total GDP of RCEP Countries: **US\$25.4 trillion**



Total Population of RCEP Countries: **3.6 billion**

Population: 3.6 billion (2017) – 45 per cent of the world's population



1/3 of the
world's GDP



Countries: ASEAN-10 plus Australia, China, India, Japan, South Korea, and New Zealand



“I think, increasingly, Singapore’s value is for the region. Singapore has always been here, but I am tempted to say we are at a point where it is Regionalisation 2.0.”

– Associate Professor Simon Tay
Chairman, Singapore Institute of International Affairs

Innovation and the Future Economy

“It is easy to sometimes overestimate the impact of technology in the short run, and that’s why you always have market cycles and hype, you end up with a bubble of some sort,” Mr. Heng noted. “But it is also easy to underestimate the impact of technology in the long run. I do think that technology is going to be a game changer in the coming years... if we don’t invest in it, we will regret it.”

Increasingly, ASEAN countries will need to incorporate information and communications technology (ICT) and other technologies in the building of cities. Mr. Heng hoped the ASEAN Smart Cities Network (ASCN), which Singapore launched as part of its 2018 Chairmanship of ASEAN, marks the start of a conversation on this goal.

The cities of the future must not only be smart, they must be green. There is now widespread awareness of the danger posed by climate change, and this will hopefully catalyse investment and research into green technology and renewable energy.

At the same time, Mr. Heng recognised that many people are wary about technology; there is an ongoing public debate on whether the rise of artificial intelligence (AI) and automation will result in a loss of jobs for humans. But Mr. Heng argued that technology can also augment and enhance human labour in new and powerful ways, citing the use of drones for stocktaking in the logistics sector, and the use of AI in the legal profession to compile summaries of cases.



Technology and Jobs

There is a need for education and training programmes to increase popular understanding of technology, including not just working professionals, but senior citizens. Beyond government efforts, Mr. Heng said companies can also invest more in training, such as equipping employees to handle new processes rather than retrenching them when their skills become outdated.

Prof. Tay asked Mr. Heng what advice he would give to a young 20-something Singaporean entering the workforce. What skillsets should they develop, and what attitude should they adopt? Mr. Heng pointed out that there is a key difference between lifelong employment and a lifelong job. Today, the nature of a job and the skills required will likely change along the way. As such, workers must be adaptable, as well as willing to use online learning and courses to upgrade skills when necessary. In addition, there are careers that will always require the “human touch”. Where machines excel at routine tasks, people have creativity, ingenuity and social skills.

Ultimately, Mr. Heng stressed that Singapore’s young people need to be open and connected to Asia and the world. Much as how Singapore’s economy needs to be internationally oriented, Singapore’s workforce must be regionally and globally minded in order to succeed.



“I do think that technology is going to be a game changer in the coming years... if we don’t invest in it, we will regret it.”

– Mr. Heng Swee Keat

Minister for Finance, Republic of Singapore



SUSTAINABLE INFRASTRUCTURE: SINGAPORE'S ROLE IN ASEAN AND BEYOND

ASEAN is on track to be an economic force in Asia and the world, and with moves towards greater regional economic integration, better infrastructure and connectivity will be required. In light of the complex challenges and evolving expectations worldwide, it is timely that Singapore Finance Minister Mr. Heng Swee Keat highlighted that “the infrastructure of the future cannot be the infrastructure of the past”.

The Infrastructure of the Future

What kind of infrastructure does ASEAN need? The infrastructure of the future will require more consideration on how it can be more green, more sustainable, and smarter. While sustainable infrastructure is frequently associated with the environment, others see it as financially viable infrastructure that will last for the long term. Such infrastructure projects are less likely to be a stranded asset, less likely to face regulatory hurdles, and less likely to be technologically obsolete. Instead, they are more likely to receive broad-based community support.

“Sustainable infrastructure... is the idea that what you invest in today will last for the long term,” said **Ms. Rana Karasheh-Haddad**, Country Manager, Singapore, International Finance Corporation (IFC), speaking at our panel on ‘Powering ASEAN’s Infrastructure through Green Finance’.



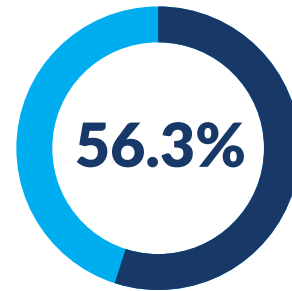
“Sustainable infrastructure... is the idea that what you invest in today will last for the long term.”

– **Ms. Rana Karasheh-Haddad**
Country Manager, Singapore,
International Finance Corporation (IFC)

Asia's Infrastructure Gaps

US\$26.2T





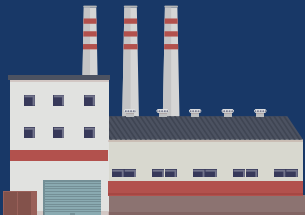
Asia needs **US\$26.2 trillion** in infrastructure from 2016 to 2030 (US\$1.7 trillion per year)



56.3% of infrastructure investment will be in electricity

Source: ADB (2017)

ASEAN's Strong Fundamentals Driving More Infrastructure

- 1 Young Population:** The median age in ASEAN is **28.9**
- 2 Growing Middle Class:** **65%** of ASEAN will be middle class by 2030
- 3 Urbanisation:** **55.8%** of ASEAN will live in cities by 2030

- 4**    **GDP:** ASEAN's nominal GDP will hit **US\$8.5 trillion** by 2030
– ahead of Japan and the United Kingdom
- 5 Integration:** Single market and production base under the ASEAN Economic Community


Source: UOB Global Economics & Markets Research (2015)



“There are different solutions for different countries, and it’s not just one size fits all.”

– Mr. Colin Chen

Managing Director, Head of Structured Finance
Asian Investment Banking Division, MUFG Bank

The different development stages across ASEAN mean that not everyone is in the position to support these types of transactions. As a result, different countries will require different solutions; developing more sustainable infrastructure will involve either ASEAN governments helping each other or the governments have to think of solutions for themselves.

“There are different solutions for different countries, and it’s not just one size fits all,” said **Mr. Colin Chen**, Managing Director, Head of Structured Finance Asian Investment Banking Division, MUFG Bank.

What is common across these infrastructure project is their long lifecycle. This makes it crucial for investors to consider environmental, social and governance issues. Therefore, infrastructure project developers will benefit from improving on their sustainability practices and becoming more transparent in their reporting. In fact, through institutions such as the Monetary Authority of Singapore (MAS) and the Singapore Exchange (SGX), the Singapore government can continue to encourage corporates to enhance sustainability reporting and shape Singapore into a centre of excellence for sustainability and ESG.

“Eventually, there will be a cost advantage for companies that can show clear excellence in environmental, social, and governance (ESG) performance in their businesses or projects,” said **Mr. Tan Cheng Guan**, Head, Renewables & Environment Business, Sembcorp Industries.

As part of the World Bank Group, the IFC has introduced several new initiatives to de-risk markets and make infrastructure projects more bankable, particularly in emerging economies. As part of the 18th replenishment of the International Development Association (IDA) fund for

the world’s 75 poorest countries, there is now a USD 2.5 billion IDA18 Private Sector Window, covering local currency provision, guarantees, and an advisory component. The IFC has also started a groundbreaking Managed Co-Lending Portfolio Programme (MCP) that creates diversified portfolios of emerging market private sector loans. The IFC has recently launched the MCP Infrastructure component with USD 5 billion in capital, with insurance money invested alongside IFC.



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– Mr. Tan Cheng Guan

Head, Renewables & Environment Business,
Sembcorp Industries

Singapore’s Role in Sustainable Infrastructure

Singapore already plays a critical role in the region on various fronts ranging from finance to trade. In this respect, what role can Singapore play in sustainable infrastructure in ASEAN and Asia?

According to **Mr. Harold Tjiptadaja**, Managing Director and Chief Investment Officer, Indonesia Infrastructure Finance (IIF), Singapore can help connect capital with projects. Based on his discussions with Temasek Holdings, GIC, and others in Singapore, Mr. Harold believes investors are “very willing to go to Indonesia, but they have not managed to find the right project”.

IIF is a non-bank financial institution under Indonesia’s Ministry of Finance. In Indonesia, they are now the strongest promoter of green infrastructure financing. Just this year, Indonesia launched two green bonds, a USD 600 million green bond operating geothermal projects, and a local rupiah green bond. These are still baby steps, but they are paving the

way for infrastructure green bonds in Indonesia. Mr. Harold noted that while international focus tends to be on renewable energy projects, IIF is working on road, seaport, and airport projects that could be considered green as well.

“Bringing the projects and the green finance [together] might be the role of the Singaporean government, or the Singaporean leadership. [Singapore] might play an active role, being the one who’s established in the larger ASEAN region as the hub for all the financial institutions,” said Mr. Harold.

Singapore has already launched an initiative called Infrastructure Asia. Set up by Enterprise Singapore and the Monetary Authority of Singapore, the Infrastructure Asia office aims to promote collaboration between firms across the entire infrastructure value chain, including helping projects be more bankable and obtain financing.

Moving Forward

As ASEAN moves to embrace more sustainable infrastructure development, Mr. Harold noted that there need to be discussions on what the terms “green” and “sustainable” actually mean in ASEAN. There are international standards, but these need to be contextualised to the ASEAN market.

Similarly, ASEAN governments need to set out clear plans and strategies for the private sector to get behind. Both Mr. Chen and Mr. Tan stressed that financiers, banks, and private sector firms all want predictability. If the rules and standards keep changing, then the private sector will not be willing to look at long-term infrastructure financing.

That said, Ms. Karasheh-Haddad noted that ideally Singapore companies should have “more risk appetite” to go overseas, particularly in areas where they have comparative advantage. She praised Sembcorp for being willing to move into markets like Myanmar and Bangladesh based on long-

term strategic value. Mr. Harold also specifically noted Sembcorp’s involvement in water treatment in Indonesia, saying that Indonesia needs more such pioneering projects from Singaporean firms.

“The growth opportunities are really right at our doorstep. For Singapore companies like ourselves, ASEAN is a major opportunity,” said Mr. Tan.



“Bringing the projects and the green finance [together] might be the role of the Singaporean government, or the Singaporean leadership.”

– Mr. Harold Tjiptadjaja

Managing Director and Chief Investment Officer,
Indonesia Infrastructure Finance (IIF)

Sustainable Infrastructure – Recommendations

- **Grow Ground Up Support:** ASEAN must foster support for sustainable financing from the ground up.
- **Signal Plans:** ASEAN governments should signal clear infrastructure plans or strategies. ASEAN also needs to contextualise global sustainability standards for the ASEAN market.
- **Ensure Predictability:** ASEAN governments must ensure predictability in regulations and standards, so investors are willing to consider long-term projects.
- **Connect Capital and Projects:** ASEAN governments can play a greater role in bringing projects and green financing together.
- **Enter ASEAN:** Singapore firms should consider entering the ASEAN market in areas where they have comparative advantage.

BUILDING TRUST:

MAKING DIGITISATION WORK IN ASEAN



ASEAN is still in the early stages of its digital transformation, with internet penetration only at 53 per cent. E-commerce only makes up less than 4 per cent of retail sales across all of ASEAN – around 5 per cent in Singapore, 3 per cent in Indonesia, and 2 per cent in Malaysia. In comparison, in China, e-commerce accounts for some 23 per cent of all retail. But digitisation in ASEAN is also moving at breakneck speed, with millions of new users gaining access to the internet each year. Startup funding in ASEAN jumped from USD 2.5 billion in 2016 to USD 8 billion in 2017, with e-commerce 'unicorns' paving the way for innovation in a wide range of sectors.

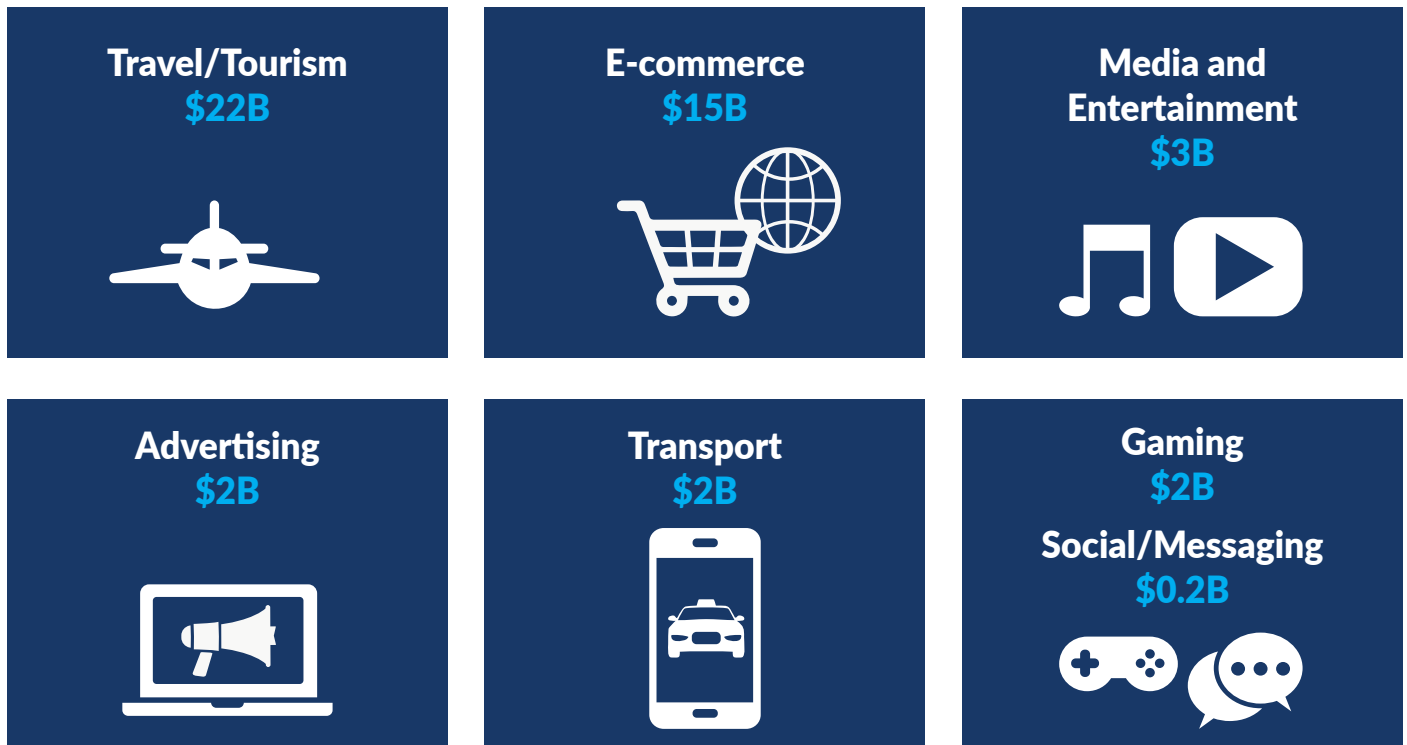
"Our aspiration is for ASEAN to be a dense network of innovation hubs, highly connected," said **Mr. Peter Ong**, Chairman, Enterprise Singapore. The ASEAN Smart Cities Network launched during Singapore's 2018 Chairmanship of ASEAN ties into this vision, promising a future where ASEAN's cities will bring together the energy and passion of the region's young creative minds.



"Our aspiration is for ASEAN to be a dense network of innovation hubs, highly connected."

– Mr. Peter Ong
Chairman, Enterprise Singapore

Online Spending in ASEAN (US\$, 2016)



Source: Bain & Company (2016)

Speaking at our panel on 'ASEAN 4.0: Making Disruption and Digitalisation Work in ASEAN', Mr. Ong expressed hope that Singaporean firms can be more "Southeast Asia Ready" than competitors from outside the region, and Enterprise Singapore is looking to conduct programmes to promote this mindset.

Singapore now has some 4,000 startups as of 2017, with 100 accelerators and incubators, as well as some 150 venture capital firms. In 2017, Singapore also launched a Global Innovation Alliance (GIA), which already links Singaporean firms to counterparts in Thailand and Indonesia. Singaporean companies are also beginning to tap on e-commerce platforms in other countries, such as selling on the Indonesian online marketplace Blibli.com. In the logistics space, Singaporean startup Ninja Van now delivers some 300,000 parcels a month in Vietnam.

Simplifying and Streamlining

Despite ASEAN's massive potential, there are challenges for e-commerce on the ground. In his 2017 National Day Rally Speech, Singapore Prime Minister Lee Hsien Loong highlighted the issue of interoperability as key for e-commerce – there are too many e-payment systems that do not talk to each other.

But **Mr. Amol Gupte**, Head of ASEAN and Citi Country Officer, Singapore, Citi, believes that at the broader ASEAN level, interoperability is not the stalling point. The issue is getting people to use e-payment and banking services in the first place. "Only about half the population [in ASEAN] is banked, the other half is unbanked. Only about a third of the population has a debit card, and only about 10 per cent has a credit card."



"I do think there is a lot that governments, central banks, and regulators can do to simplify the infrastructure."

– Mr. Amol Gupte

Head of ASEAN and Citi Country Officer,
Singapore, Citi

Companies like Lazada have pioneered cash on delivery sales for the ASEAN market, but such transactions have their own risk. The ideal situation for ASEAN is to bring more consumers and companies online, to make transactions smoother, simpler, and safer. “We are intensely and insanely focused in putting all our brick and mortar capabilities into the hands of either a mobile app, or into the ecosystem that they want to live in,” Mr. Gupte added.

There is a common narrative that fintech startups are competing with banks, but Mr. Gupte argued that fintech and conventional banking are not in opposition. The goal is to bring more people, microbusinesses, and small businesses into true financial inclusion, regardless of whether it is via a mobile wallet or online banking. “That itself could add anywhere between 1 to 2 per cent to the GDPs in our geography.”

“I do think there is a lot that governments, central banks, and regulators can do to simplify the infrastructure, to improve the infrastructure,” said Mr. Gupte.

Levelling the Playing Field

In this regard, the ASEAN Agreement on E-commerce and the ASEAN Digital Integration Framework introduced under Singapore’s Chairmanship of ASEAN are critical in providing protocols and guidelines for cross-border online transactions in ASEAN. In 2015, ASEAN established the ASEAN Economic Community (AEC). Today, ASEAN has substantially succeeded in removing tariffs on the movement of goods. As such, the next step is for ASEAN to work on liberalising the services sector and to address non-tariff barriers, as these are areas that will affect e-commerce.

According to **Mr. Alexis Philippe Lanternier**, Chief Executive Officer, Lazada Singapore, companies are willing to pay taxes and tariffs, if they are fair – the issue is not the amount of tax, but the ease and speed of processing. Ideally, there should be nothing slowing down the flow of goods. “There is amazing production, amazing product being built in each and every country of ASEAN. And if we want them to have the largest opportunity, we need to enable them to sell across to each other.”



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– Mr. Alexis Philippe Lanternier
Chief Executive Officer, Lazada Singapore

Benefits for MSMEs

Micro, small, and medium enterprises (MSMEs) account for over 90% of ASEAN's establishments, and are indispensable to the economic growth of the region. A 2018 study by Bain & Company found that by integrating MSMEs into the digital economy, ASEAN stands to gain up to US\$1.13 trillion in GDP value by 2025. Thus, as ASEAN moves forward, the region must ensure that its MSMEs are not left behind.

"We need to move from doing everything yourself, from buying products to delivering them, to actually enabling the ecosystem," said Mr. Lanternier. While Lazada began as a retailer in its own right, it now functions as a marketplace. "So now we are focusing on enabling those merchants... our mission has moved from initially being very [focused on] selling product to customers, to enabling SMEs to sell product to customers. That was our big change."

Expedia provides a similar service to MSMEs in the travel and tourism sector, explained **Mr. Ang Choo Pin**, Senior Director, Government & Corporate Affairs, Asia, Expedia Group. "[Many of] the hotels that we work with in ASEAN are MSMEs. So they don't have the global reach, the global know-how, so they rely on us to link them up to the world, to world travellers."

"One of the things we are definitely hoping to do is... trying to get SMEs to be what we call digital at birth," said Mr. Ong. Enterprise Singapore hopes to offer new MSMEs simple digital solutions, so they can "hop on the digital bandwagon from day one". For example, modern restaurants need around five software packages to do business, such as point of sale, inventory management, kitchen management, order management, and accounting. If newly-minted MSMEs can have these solutions in place from the start, they will be able to scale up more easily as they grow. In addition, as more and more businesses become digital, there will also be increased data flows throughout the economy.

New Frontiers

Of course, amidst this digital revolution, 'disruption' has become a buzzword. It is now a running joke that innovation progresses much faster than regulation, with potentially disastrous effects for industries and economies. The Singapore government and its neighbours are cognisant of the potential issues, and the fact that there may be unknowns. As such, Singapore, Malaysia and Thailand have implemented regulatory sandboxes, allowing technology startups the freedom to experiment and try different things. This in turn allows governments to gain better understanding of what the issues are, and subsequently come up with regulation if needed. Mr. Ong expressed hope that other ASEAN countries might consider the sandbox model.

Summing up the digital landscape in ASEAN, Mr. Ong said that the region has a great deal of growth potential. Online retail and related sectors will continue to expand rapidly, and the future is bright. "We have some way to go, years to go, in payment systems, in e-commerce, in last mile fulfilment, where I think many innovations will fuel growth in all the ASEAN countries."



"[Many of] the hotels that we work with in ASEAN are MSMEs. So they don't have the global reach, the global know-how, so they rely on us to link them up to the world, to world travellers."

– Mr. Ang Choo Pin

Senior Director, Government & Corporate Affairs,
Asia, Expedia Group.

The Road Ahead: ASEAN's Plans for the Digital Economy

ASEAN Agreement on E-Commerce

- Facilitate cross-border e-commerce transactions
- Create environment of trust and confidence in e-commerce

ASEAN Digital Integration Framework

- Monitor region's digital ecosystem
- Develop regional e-payment networks

ASEAN ICT Masterplan 2020

- Develop ICT infrastructure to support regional integration and connectivity efforts

ASEAN Smart Cities Network

- Synergise efforts towards smart and sustainable urban development

ASEAN Strategic Action Plan for SME Development 2016-2025

- 2016-2020: Integrate MSMEs into ASEAN Economic Community and value chains
- 2021-2025: Make MSMEs competitive, innovative, inclusive, and resilient

ASEAN Work Programme on Electronic Commerce (AWPEC) 2017-2025

- Facilitate e-commerce through initiatives in digital infrastructure, consumer protection, regulations, and logistics

Making Digitisation Work in ASEAN – Recommendations

- **Simplify and Streamline:** ASEAN countries can simplify financial infrastructure and streamline national e-commerce frameworks.
- **Ensure Level Playing Fields:** ASEAN should be cautious of allowing tariffs, non-tariff measures (NTMs), taxation, and data localisation to distort the market.
- **Build Trust:** ASEAN needs to encourage full financial inclusion for individuals and MSMEs, including building trust in online services.
- **Create Regulatory Sandboxes:** ASEAN governments should consider implementing regulatory sandboxes, such as those in Singapore, Malaysia, and Thailand.

ABOUT

ASEAN and Asia Forum (AAF)

The SIIA's annual flagship ASEAN and Asia Forum is Singapore's leading conference for private sector representatives to better understand the region's political, economic and strategic challenges, focusing on the implications for business. The Forum draws more than 200 high-level corporate leaders and policy makers who are keen to deepen their knowledge of international affairs and expand their regional networks.

Previous Forums have featured views from key officials, both from Singapore and the region, including Mr. Heng Swee Keat, Minister for Finance, Singapore, Mr. S. Iswaran, Minister-in-charge of Trade Relations, Singapore, Dr. Bambang Brodjonegoro, Minister of National Development Planning, Republic of Indonesia, and U Win Khin, Union Minister for Construction and Electricity and Energy, Myanmar.

ABOUT

Singapore Institute of International Affairs (SIIA)

Founded in 1962, the SIIA is Singapore's oldest think tank dedicated to the research, analysis, and discussion of regional and international issues that matter to business. The SIIA is a non-profit, non-governmental organisation which plays a key role in Track II diplomacy, supplementing official dialogue between governments. The SIIA is also a founding member of the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS), a regional alliance of think tanks. Since 2013, the SIIA has ranked as one of the top think tanks in Southeast Asia and the Pacific in the Global Go-To Think Tank Index by the University of Pennsylvania.



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