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THE 2020 ASEAN LEADERSHIP AND PARTNERSHIP FORUM AND VIRTUAL CONFERENCE

Partnerships for a Cohesive and Responsive ASEAN

Held in conjunction with the ASEAN Economic Ministers Meeting

Proceedings from discussions held on 27th August 2020 at Ritz-Carlton Kuala Lumpur, Malaysia and on 28th August 2020 via Zoom

Summary points

- The COVID-19 pandemic has accelerated the rate of digital adoption. Businesses that are able to adapt and cater to the needs of the market by leveraging upon digital solutions and reaching a wider market have been able to flourish despite these conditions. To facilitate digital transformation, greater decisiveness in direction and strategy is needed from governments in the ASEAN region with initiatives like the ASEAN Common Data Policy. Infrastructure, such as access to broadband, which has not been universal. Bureaucratic government obstacles toward digitisation need to be removed to facilitate and support this transformation. Also, there has also been a lack of knowledge on how to carry out the process of digitalisation. However, digitalization if not conducted inclusively, will lead to deeper inequalities in society. There have been signs that countries and regions are developing their own digital rules and regulations that are incompatible, which will lead to a split in the digital domain.
- ASEAN's economic challenges can be overcome by strengthening partnerships within the region. Its governments need to put differences aside and focus on resolving the COVID-19 crisis by resolving the limitations imposed by tariffs, border controls, and restriction of labour movements. The region's supply chains need to be strengthened by putting supporting policies in place among the individual ASEAN states to facilitate border controls, such as the e-issuance of certificates of origin. ASEAN needs to utilise its regional mechanisms which are already in place as they have not been used effectively, such as the ASEAN Single Window, which has not led to improvements in the flow of goods across borders. Trade pacts like RCEP and CTPPP are key models for the partnership for countries keen on liberalising trade and investment. ASEAN's platform should be used to promote constructive engagement between countries including major powers, as COVID-19 has created a very different regional and global trade environment. With lesser support from the multilateral system, ASEAN as a bloc is now in a position to safeguard law and order in the area of trade.
- The economic slowdown, while causing many to be unemployed, has also triggered new enterprises to emerge in the informal sector. Despite the risks brought by the pandemic, it has also brought opportunities where entrepreneurs with innovative ideas can fill new gaps in the market. Entrepreneurs need to take account of the changes in the market as consumer preferences have shifted to online platforms. More focus is needed on helping micro, small, and medium enterprises, as they make up an overwhelming majority of businesses, making their contributions key in revitalising the economy. They should be given access to financial support, simple credit schemes, low-interest loans, tax rebates or other forms of incentives. Capacity building workshops should also be conducted for aspiring entrepreneurs, with greater emphasis on women and youth. However, not everyone has access to digital means and the internet. Offline marketing through cooperatives and methods of face-to-face marketing is still needed in an economic revitalisation policy. Community-based economies can offer alternative frameworks to the larger businesses.

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DIGITAL ASEAN – DIGITALIZATION AND TRANSFORMATION

Moderator:
Datuk Seri Mohamed Iqbal Rawther, Adviser, KSI Strategic Institute for Asia Pacific / Chairman, Economic Club of Kuala Lumpur

The adoption of the digital economy is not only taking place in ASEAN, but has become a global effort. Some countries are more advanced in this process and have been utilising these advantages. However, ASEAN countries have been slow to grasp this advantage. With the pandemic, ASEAN countries have been given a boost to accelerate the digitisation process.

There are great challenges for ASEAN as not all the ten ASEAN-member countries are on the same platform as each country is emphasising their own initiatives. In Malaysia, the Digital Economy Master Plan has been approved. Though late in its realisation, it remains a key realisation that puts Malaysia back on track to avoid her being left behind, especially in light of the changes brought upon by the 4th Industrial Revolution (IR4.0).

The National Technology Innovation Sandbox spearheaded by the Malaysian Ministry of Science, Technology and Innovation (MOSTI) represents the Malaysian government's effort to promote the digitalisation agenda. Whether or not these efforts have been effective is a subject for debate. Nonetheless, there is a need for coordination among the various agencies involved to ensure effective delivery.

A supportive ecosystem is required for digital transformation to take place. The process of digitalisation does not happen instantly but takes time. To allow this, the right infrastructure needs to be in place, such as access to broadband, which has not been universal. There is also a need to look at talent for information technology (IT) and related industries. As such, digitalisation is the result of technology innovation.

Speakers:
Goh Peng Ooi, Founder and Executive Chairman, Silverlake Axis Ltd

The digitisation and transformation process of 1988 occurred during a time of big computers. 32 years later, this evolution has encompassed socioeconomic, scientific, and financial advancements to a point that it impacts every aspect of life.

There have been several areas of evolution. The first is in science and engineering, where the manner things are designed has changed tremendously. There are more and more components with lesser single chip technology. The second area of evolution is the economy. In 1988, the economy was mostly bottom-up, whereas supply-side economics is top-down. President Reagan focused very much on supply-side economics. Today, the economy has moved on to demand-side economics. The third area is banking and finance. In the past, customers used to wait for the banks. Today, it is the banks pursuing customers. Another area is in marketing, which has changed tremendously with the likes of Facebook and YouTube changing the whole marketing industry. The next area is governance where there will be more and more bipartisanship due to the paradoxes and dilemmas that are created by the pull-and-push forces of the previous four changes that will cause a change in money. The US Dollar will no longer be the preferred currency. Instead, more people are seeking gold-like assets with the properties of gold that are durable and in demand, but not necessary gold itself. These are the areas of change and transformation.

Problem solving in real-life is non-theoretical as there is a need for others to understand what is being attempted. Explanations need to be made to doubters on how things will change. Experience-based decision making is not going to work as well during a period of disruption. The cloud consists of artificial intelligence (AI), blockchain, and algorithm-based technologies. The US Dollar, monetary printing, monetisation of deficits, and other areas presents major risk and challenges. However, they also present major opportunities. Therefore, it is important to distinguish these issues into “boxes of challenges”. These boxes influence each other but do not “contaminate” each other. For example, marketing or insurance cannot change banking. Similarly, digitalisation will not change banking, which is a common mistake made by many. For example, e-payment has become a very crowded space which will not yield profits in the long-term. In the short-term, if one builds a company and sells it off, profits can be made, but in the long-term when it becomes an extremely crowded space, it will be very much controlled by governments. China has printed the Central Bank Digital Currency (CBDC). Once this becomes a real form of currency, present forms of payments will cease to exist.

Many disruptive events are bound to occur. For example, TikTok has become a threat to Facebook. It is an interesting world we live in where a new company can enter and immediately threaten a major company. The same is being seen with digitalisation which allows things to move and evolve at a faster rate. Despite these changes, everything still falls into “boxes”. While they influence each other, they do not necessarily contaminate each other.

People should set their sights on an area they can focus on and evolve with it as evolution is taking place too quickly. Those who are able to evolve within their own “boxes” will be able to control their own fate while those who are less experienced, unless they are intelligent, will be unable to compete. One should focus on an area of strength and accept that money, market, economy, sciences, banking and finance, and governments will change and affect the box that they are focused in.

Dato' Henry Goh, Co-Founder, Chief Operating Officer, MACROKIOSK Group of Companies, Malaysia

Despite a desire to digitise many things, especially due to the push induced by COVID-19, many disruptions and challenges remain. While there is willingness by many to digitalise, the main challenge faced is a lack of knowledge on how to carry out the process of digitalisation. Even governments are facing this issue with a lack of direction of what needs to be achieved as a whole, with different agencies having differing directions. Prior to COVID-19, many governments have left it to the private sector to pave the way for digitalisation through the process of liberalisation. With COVID-19, there is a need for greater decisiveness in direction, not merely for the nation but for ASEAN as a whole.

This pandemic has made governments more willing to spend more on the digitisation process. However, there have also been many missed opportunities as stimulus packages have not been channelled towards the right strategy in terms of digitalising economies, as funds are being spent in other priority areas. While there is much interest in digitalisation, especially during the pandemic, many challenges and disruptions remain as many do not know how to go about the process of digitalisation. Governments are facing this issue and are uncertain of the direction they need to undertake. Different agencies may also have different directions on this process.

While forms of technology are diverse and available, knowing which technology to adopt to usher the digital direction is much harder to identify. Issues of licensing and policies have been a major obstacle to the digital process due to government officials. Governments should take the opportunity to invest more in digital improvements.

Ebi Azly Abdullah, Head, Government & Public Affairs, Grab Malaysia

While many would assume that COVID-19 has no effect on companies like Grab, the truth is that such companies have been badly affected, especially in the area of transportation services. The number of trips has declined from an average of 650,000 to only 90,000 a day, a drop of 86 percent. Financial losses for drivers were as high as 90 percent on a daily basis. The plus side is that food deliveries have gone up by more than 45 percent during the peak of the movement control order (MCO). In the process, a hundred thousand Grab drivers were transferred to the delivery sector. Hence, the pandemic has fundamentally altered the way companies like Grab operate, as well as the decision-making process of consumers.

Grab has taken steps towards supporting businesses. As a tech enabler and advocator, they have taken measures to support its drivers and delivery partners to weather the effects of COVID-19 and to maintain their livelihoods. Grab has also established a protection fund of up to MYR1,000 per driver and enforced hygiene and safety practices. The company is also supporting businesses with its Small Business Relief Programme that provides financial reliefs of up to MYR3,000 to qualified Grab Food merchants during the pandemic. It has also adopted a zero-commission charge policy for self-collected food orders and digital payments. Grab has removed cash transactions and now conducts all its transactions via its e-wallet, Grab Pay.

The company pivoted rapidly during the pandemic. In March 2020, Grab launched a small pilot programme called Grab Pasar in Taman Tun Dr Ismail which involved 10 merchants. Within days, this programme was also launched with the Selangor and Penang State governments, with 7 Grab Pasar's in Selangor and 2 in Penang. This initiative will be expanded beyond the MCO. The success of Grab Pasar has led to the introduction of the e-Bazaar and e-Kitchen initiatives during the Ramadhan period. Working with the Selangor State government, 10 e-Kitchens were launched throughout Selangor involving 133 micro SMEs. Merchants were able to save 10 percent on staff and food cost. At the same time, e-kitchens were able to push for greater consistency for food safety and quality control. As a result, there has been a 30 percent increase in their daily orders. In some areas, merchants experienced a daily revenue of MYR5,000 compared to MYR1,000 previously. Therefore, being on a digital platform can contribute to the enhancement in business performance.

Due to the effective nature of this initiative, Grab is attempting to make this programme available throughout the country through partnerships with the state and federal governments. The government is invited to assist in the development and expansion of digital adoption. Grab is promoting the "instant retail" concept, which is a new form of consumption that has taken flight during the MCO where Malaysians can purchase necessities online instead of going to brick-and-mortar premises during times of restricted movement. The e-kitchen and e-Pasar examples have demonstrated that instant retail has a positive impact on transforming consumer behaviour. Such programmes can be established for entrepreneurs based in rural areas to enable them to promote their products via a virtual platform. Grab is also encouraging entrepreneurs to increase the uptake of digital tools to grow their businesses. Collaboration with other e-commerce providers can be formed to develop product promotions to obtain improved sales traction, which can be funded by the government and the private sector.

There has been an increase in job applications during the MCO. On a monthly basis, there was an average of 6,000 applications to become Grab drivers compared to 3,000-4,000 prior to the MCO. There is a need for the government to remove barriers in licensing that may hinder the process of granting jobs to these new applicants. This includes the need to remove requirements for Public Service Vehicle (PSV) licenses. A means to ensure quality control, learning, and enforcement can be conducted digitally through the phone application. Those without vehicles can also take advantage of e-hailing opportunities through special credits and incentives for those who hope to become drivers and to participate in job income creation through the Grab platform.

Tay Kok-Chin, Chairman, Smart Cities Network, Singapore

Singapore has participated in the ASEAN Smart Cities Network since 2018, signalling the beginning of the Smart Cities Movement in ASEAN. Many mistake smart cities to be government initiatives. Instead, smart cities projects are positioned to encompass the three main stakeholders of society – government, business, and people.

For cities in ASEAN to become smart cities first requires leadership. The heads of government need to take the lead in investing resources to build the necessary infrastructure. The second criteria involves financial resources as it requires billions of investments to develop this infrastructure.

The Chief Minister of Sarawak announced an allocation of MYR1 billion for the development of smart cities. Singapore spends SGD2 billion annually for smart cities through its ICT budget. Initiatives are also taking place in Selangor, Johor Bahru, and Penang for the development of their smart cities programmes.

To roll out digitalisation, cities need to align with the United Nations SDG 7 for affordable and clean energy. Jakarta is taking the lead for Indonesia where people play a key role. There are 100 dedicated staff at Jakarta's smart cities office implementing smart cities projects, showing the level of resource dedication. A digital province has been created in West Java, centred in Bandung which benefits 48 million people.

The digitisation process in ASEAN will speed up because of COVID-19. There needs to be a shift to what makes sense of the economy. Digitisation is currently valued at USD1 trillion and it is expected to be valued at USD2.5 trillion in 5-years.

Dr. Thai-Lai Pham, Chief Executive Officer, Siemens ASEAN

Siemens is emphasising digitalisation as its core strategy in order to support its customers and foster economic growth to generate future business. Digitisation is one of the megatrends of the century as there is no area of life that can be excluded from the application of digitalisation. These applications have played a major role in keeping people safe during times of pandemic and kept supply chains running, minimising the disruption of essential services.

Across ASEAN, Siemens is working closely with its customers through remote services and performance monitoring in a time when governments have been encouraging people to stay at home as much as possible to minimise the spread of the virus. The company is helping its customers to reinvent themselves by bringing about higher levels of productivity and efficiency. In Singapore, Siemens is working with fish farmers in the agricultural and aquacultural sector through the use of AI technology to analyse fish behaviour, allowing farmers to determine optimal food amounts, identify the best feed times, and monitor water quality. This will help increase fish stock output in a healthier and more sustainable way. During times of food shortages and disruption of supply chains, such programmes have become even more important.

Buildings are another example as typical layouts of residential, commercial, and public spaces are impractical in terms of design. Data can be utilised to determine airflow and energy consumption to devise efficient ways of living. Such data can be used to create smarter infrastructure and a more people centric environment. Sensor technology and smart-space applications can be used during the pandemic to create safer environments for hospitals to isolate the airflow of patients with COVID-19 to protect others. Digitisation can also be used to better manage green energies from solar, biomass, or wind to gauge demand.

ASEAN as a growing regional economy is attracting more FDI into the region. This is where digitalisation can be a key mover that will make the region more competitive, allowing it to leapfrog and grow. If done correctly, it will be possible to bring about IR4.0 and speed up processes and production cycles whilst at the same time bring about quality.

Vivek Nath, Managing Director- South Asia, Willis Towers Watson, Singapore

There are many digitisation opportunities in ASEAN, but there are also risks that organisations need to take heed of. As digital platforms are here to stay, the convergence of these platforms would require new measures to be devised to define insurance risk. Data breaches, credit card fraud, and business email fraud are just some of the risks that need to be grappled with and have accentuated in recent times.

IR4.0 has been accelerated by COVID-19 and will lead to some fundamental changes due to the rapid evolution of the business model. An SAP survey found that 8 out of 10 businesses in ASEAN

expect COVID-19 to change their business models either from a customer facing perspective or the supply chain. There will be changing employment scenarios in the future in terms of who and how work can be done, human tech interaction at work, and how people can work productively with technology.

The changing office brings to question how work is conducted in the future. When these seismic events are taken into consideration as a whole, there are significant risks that organisations need to start thinking about. There is a clear need for organisations across ASEAN in business enterprises and insurance sectors to reassess the risk environment. Traditional insurance models are not designed to support these new risks in a way that is able to support financial projections.

The pandemic is an example of how organisations, especially SMEs, have misjudged business interruption risks projections, as such assessments were relating to physical damage and not the risk of a pandemic. Hence, risk relating to privacy protection, privacy, and the impact of climate change will need to be accounted for as risk approaches are rethought.

With transformations taking place in ASEAN, organisations will move towards covering these risks through data analytics which will play a major role in risk mitigation and transfer. There are high tech tools available for risk identification and quantification that allow for data analytics to support the most optimum risk financing. Organisations can then decide whether to retain such risk, transfer it to conventional insurance programmes, or opt for alternative risk transfer solutions.

A fair amount of work has been done across ASEAN over the last few years, but there is still a need to accelerate the process. The traditional challenges that insurance has been trying to solve is in the area of underinsurance and underservicing. Underinsurance issues are solved by distribution focused solutions that are quite prevalent across Southeast Asia. What is beginning to change are in the form of partnerships in creating ecosystems between insurers, brokers, and banks to increase the scope to manage underinsurance matters. Underservicing is where there is the most amount of data usage. In this area, firms are developing technological solutions to identify the financial impact of risk, be it from climate change, cyber risk, or any other forms of risk. This allows organisations to have a viable means of managing risk mitigation strategies.

There is a need to work with insurers to formulate alternative risk solutions that are aimed at protecting revenue. These are solutions that are reliant on digitisation through the input of information and data. While the insurance sector is making huge strides in the provision of solutions, they will also continue to play a key part in managing the changing risk environment across ASEAN and the world.

Ravindra NGO, Founder & CEO of IiC (Invest in Cambodia, an investment advisory firm based in Hong Kong) / World Economic Forum Expert Network – ASEAN Advisory Board Member of the Pacific Basin Economic Council

Since the start of the COVID-19 crisis, internet usage has risen by 70 percent, while the use of communication applications have doubled. Video streaming services have experienced a usage increase of 20 percent.

Opportunities for ASEAN 4.0 can be summaries into three parts. The first is in agricultural transformation. Smart phones have given farmers better access to market prices, weather information, and product knowledge. Such access has also improved the level of project trust and reduced the risk of food contamination. There are also opportunities to connect the unconnected. Renewable energy technologies enable the generation of local electricity, rather than relying on

the use of centralised power plants, linking people to electricity. Drone deliveries also offer an opportunity to provide improved access to vital supplies of vaccines to remote areas. There are also opportunities for economic inclusion. Citizens of ASEAN can gain access to new sources of information, such as digital financial services, blockchain, and fintech, as well as new forms of education through online courses and virtual classrooms.

Despite such opportunities, there have also been limitations. For example, there are restrictions and job losses due to artificial intelligence (AI) and robotics which is rapidly increasing and risks replacing human input. There is also the risk of inequality and political instability. While IR4.0 may potentially accelerate virtual talent and knowledge, it may also reverse convergences between countries and also increase inequalities. There will also be challenges in the form of cyber attacks as more and more devices, sensors and machines are connected to the internet.

The COVID-19 pandemic has been an unpredictable catalyst for digital transformations which may alter businesses. Innovative partnerships from tech companies, banks, governments, and education providers can accelerate this transformation for small businesses. It has also reinvented health systems as digital technology can facilitate the shift to value-based healthcare where providers are paid for outcomes rather than services. Through interconnected data platforms that enable digital collaborations among ASEAN countries and across industries, data analytics can be used to provide local and regional institution solutions to deal with the pandemic.

Professor Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, once said that COVID-19 has accelerated our transition into the age of the Fourth Industrial Revolution. It must be ensured that new technologies in the digital, biological, and physical world remain human-centred and serve society as a whole.

M. Nazri Muhd, Adjunct Professor (AI Practice) / Founder & President, MyFinB Group & Centre of Excellence in AI Innovation

Greater leadership is needed to push for AI adoption and enable ASEAN countries to be ahead or at least be on par with the rapid developments in the AI field. PwC predicts that by 2030, AI technology will impact 10-20 percent of a country's GDP and be a market size worth USD16 trillion. McKenzy expects AI to provide double digit returns to ROIs in absolute terms between USD2.5 trillion to USD5 trillion. Forrester Research expects AI and cognitive analytics to be the game changers for economists in the next 5 years. Therefore, AI has become more pronounced than it was 14 years ago.

While there is much attention on financial inclusivity, attention needs to be given towards tech and AI inclusivity. In Malaysia, less than 10 percent of institutions and businesses are adopting predictive and prescriptive AI analytics. AI is something predictive, descriptive, and cognitive, with the ability to solve very complex problems based on all types of data. There are perceptions within ASEAN against AI adoption with critics arguing that AI is time consuming, insufficient, disorganised, or fragmented. It has also been perceived to be an expensive endeavour with a complex implementation process and that there are not enough data scientists to manage it. These misconceptions towards AI need to be addressed before a country can be AI ready to meet global challenges.

While Malaysia is not yet ready to meet global challenges, it has made modest gains in this area. For example, auditors and accountants can use robo auditors or robo accountants that can sweep data which is then processed by a robo CFO. There can also be robo investors that can analyse

all capital market data and be used to identify undervalued stocks. There is also a human resource value when the social media accounts of potential employees are linked with job application documents, such as CVs, providing employers insight to determine the suitability of an applicant's personality to the organisation's culture. In another example, businesses distributing their products down a supply chain can determine which product will sell best at appropriate prices, at a certain given time, to which channels, which customers, and which packaging. When hundreds of millions of data points are processed from their POS and ERP systems, businesses will be able to use AI to make predictions to optimise pricing, campaigns, and incentives. Such levels of personalisation can similarly be customised for healthcare and education. This is where AI can be deployed to prevent a manual approach which is time consuming and prone to error.

For ASEAN leaders to be AI-ready, five strategies need to be adopted in the form of the 5I's. The first is internalisation, where business models and socioeconomic models are AI-powered and moving towards a subscription-based economy. The second strategy is innovation through fostering a culture and leadership style that embraces change. Integration is the third strategy, which is a move toward an API economy, where the systems built are connected to one another to solve various issues. These systems need to be compatible and aligned. There is also a need for investments which requires organisations to be clear and up front about ROIs when channelling resources into AI initiatives. There is also an element of internationalisation, where AI-technology is scalable, portable, and exportable, giving businesses the ability to scale up and localise in each foreign country, nationalising as much as possible.

Those eager to employ the use of AI need to have a simple checklist following an AI matrix. They need to ask themselves if AI adoption leads to quicker turnaround times compared to the usual process, whether it leads to savings in operational cost, more upselling opportunities, an increase in inflows, and if AI can open up presale opportunities in new segments not previously pursued. If AI adoption strategies do not have these benchmarks, it would imply that an organisation is unclear with its ROI, which will ultimately lead to the system being unable to deliver an edge.

Leaders must be able to differentiate between three paradigms. First, they must be clear to differentiate between hype and reality of the outcomes that they intend to solve in the first place through the use of AI technology. Secondly, leaders have to differentiate rhetoric against pragmatism as there is much talk about ethics and the notion that AI will replace human function. One needs to be pragmatic and maintain the existing workforce, upskilling them to become more intelligent by letting the technology do the work. Lastly, leaders must differentiate between the actionable and conceptual. While it is good to be theoretical, ideas must be actionable, whereby it can be implemented and measured. AI must give a business quick wins with medium-term and long-term gains.

Q&A

Ahmad Nasaruddin Mohd Noor, MATRADE. There is much discussion surrounding digitalisation during times of COVID-19 which is a process that involves both companies and consumers. Is such a rapid transformation into the digital age secure?

Vivek Nath. Most companies have invested heavily in cyber security, showing a sense of urgency in making themselves secure. It is a new environment due to the advent of how digital services are being used which has grown rapidly in scope in a very short time due to the pandemic. While cyber security systems are keeping up, consumers must remain vigilant, as absolute security cannot be assured. Just a day before the forum, the New Zealand Stock Exchange was shut down for a day due to a cyber breach. There are non-state actors which are continuously looking at ways to penetrate cyber security systems.

M. Nazri Muhd. It is impossible to minimise fraud and scamming incidents entirely. Identity fraud through mimicking the profiles of social media users to deceive others for financial gain is a common occurrence. There are also cyber-attacks in the form of intrusions, which can be minimised by investing in cybersecurity measures. However, identity theft can easily circumvent these safeguards. Countering this requires the community to look out for each other in order to contain such forms of deceptions.

Goh Peng Ooi. If anything has a surface, it is easy to have fraud, but when a solid element is added into the equation, it then lessens the occurrences of fraud. In the digital world, a solid space is a rules-based space. Assuming one has a set of personal rules and anything one does needs to satisfy these personal rules, then the occurrence of fault is unlikely unless another person understands these personal rules. The whole world needs to be involved in this research as it is a specialised world beginning from designs in hardware, chip, and telecommunication. The more rules are added, the more difficult it will be for attacks to take place. There are technological means to solve these issues.

Prof Dato' Dr Noraini Idris, National STEM Movement asked Mr Tay Kok-Chin how the smart cities network can be sustained and what is the way forward for ASEAN's Smart Cities Network.

Tay Kok-Chin. The availability of money is dependent on the various governments as the ASEAN Smart Cities network requires the respective countries to allocate a budget to implement the project. However, during times of pandemic, much funding has been channelled towards stimulus packages to spur the economy. The budget is dependent on how the political leadership decides on how funds are allocated. In Singapore, GovTech, the government technology arm of the Smart Nation team has a sizable team of developers tasked to develop applications for safe social distancing and contact tracing. With the use of robotics and sensors, the impact of COVID-19 can be minimised. During these times, governments are pumping in billions to revive their economies, but a Smart City or Smart Nation budget should not only be meant for technology projects and needs to encompass the bigger picture.

SPECIAL ADDRESS BY TITLE SPONSOR OF THE 2020 ASEAN LEADERSHIP AND PARTNERSHIP FORUM & VIRTUAL CONFERENCE

Dato' Sri Dr. Vijay Eswaran, Executive Chairman, QI Group

The impact of COVID-19 and the new norm it has brought is here to stay. This calls for differences to be put aside and to work as one. ASEAN has shown great promise as it began on the premise that it will stand against the world. Individually the countries of ASEAN are not economically capable of taking on any of the trading blocs across the world. However, when it comes together, ASEAN is a formidable adversary and trading bloc that the world cannot ignore.

ASEAN has the fastest growing youth base and a population of close to 650 million people which consist of 213 million youth. The region is also one of the fastest digital populations in the world. ASEAN began to hedge its bets against the flow of political forces around the planet, centred around China, United States, and the European Union. However, ASEAN, as a regional grouping of countries will only work when it comes together.

The various issues dividing ASEAN need to be put to an end as coming closer together is the region's real hope. There has always been a North-South divide in ASEAN where countries in the north are connected historically, culturally, and linguistically. Similarly, countries in the south are

connected in the same manner. However, such a divide is something that the Thai-Malaysian border is best representative of as Malaysia and Thailand have always been the two unique forces that have been able to bridge the divide to work together. Communities exist along the Malaysian-Thai border, the land bridge between the north and south of ASEAN, which can speak the languages on both sides and has an understanding of both cultures, giving a glimpse of hope of what ASEAN can become if all its member-states work together.

Barriers need to be broken down, otherwise the new norm is not going to be that different from the old norm. The new norm, in essence, will only work if barriers are brought down. This is in reference to the tariff barriers, border controls, recognising each other's skill sets, free movement of labour, and so on. Malaysia and Thailand represent a real hope of this happening. If Malaysia and Thailand are able to prove its working collaboration the rest of ASEAN will follow suit.

There was once a proposition for the four northern states of Malaysia and the southern provinces of Thailand to be made special economic zones. This would have been a bold initiative that could work in favour, not only for Malaysia and Thailand, but for ASEAN as a whole. Both of these regions are in a sense, economically depressed. The opening of borders and creating a special economic zone in a similar fashion to Shenzhen, China, would create a movement of ideas, goods and service, and energy across the border, making it possible for other divisions in ASEAN to be torn down.

The potential of ASEAN has always been limited by a lack of digital skills. This feature is not something that can be forced and has to take place organically. The COVID-19 environment has fostered this, giving an impetus for tremendous growth in terms of digital skills, particularly involving the youth in ASEAN and the future relies on how these digital skills will bring people together. This also presents an opportunity for governments to work together.

The youth of ASEAN have demonstrated an ability to adapt to these new challenges quite significantly, increasing the rate of digital adoption, learning new skills, thinking creatively, and developing new business models. Such growth is possible in the ASEAN region due to the spirit of entrepreneurship. Moving forward, it is the digital frontier that represents a new area where entrepreneurship could potentially grow and foster. This is evident as ASEAN has given birth to several major digital organisations.

More thought needs to be given towards the region as a collective, rather than its individual nations. With a common mindset, there will be a real hope for the future and moving ahead. Just as President Trump often touts "America First", ASEAN must similarly say "ASEAN First", in doing so paving the way for a viable future for all.

OPENING SPEECH

Dr. Doan Duy Khuong, Chairman, ASEAN Business Advisory Council, Vietnam / Vice-Chairman, Vietnam Chamber of Commerce & Industry (VCCI)

Change is natural for the world regardless whether human beings want it or not. One can look at how the digital economy and COVID-19 has changed the way people live and work. Change also creates opportunities and challenges. While COVID-19 has affected the global economy, it has also, on the other hand, accelerated the adoption of digital culture on a global scale. Because of this, the world can be described through the 3Cs – Change, Chance, and Challenge. In all countries across ASEAN the pandemic has caused the loss of life, disrupted production, diminished demand for many goods and services, broken supply chains, and forced enterprises to scale down their operations. ASEAN is coping on two fronts – savings lives and overcoming the economic crisis.

ASEAN has inherited a good platform for a digital economy. Though it may be a challenging market, it is also attractive to entrepreneurs and reformers. As the third largest market in Asia after China and India, it is home to 650 million people, many of whom are increasingly wealthy. ASEAN is also a young market with 60 percent of its population under the age of 35 years old. Such a demographic consists of a technology savvy generation who demands access to information via mobile devices. However, there are many constraints due to ASEAN's diversity and major gaps across its countries. An action plan needs to be in place to develop a digital ASEAN.

By 2030, ASEAN will have the fourth largest economy in the world with a forecasted population size of 720 million people and an expected GDP of USD7 trillion. The digital economy is the best way to help ASEAN stay healthy and productive. As a result, ASEAN has produced important policy measures and frameworks including the AEC Blueprint 2025 Masterplan on ASEAN Connectivity 2025 which highlights the importance of regional digitalisation.

In 2020 under Vietnam's chairmanship of ASEAN, there were three main activities conducted by ASEAN-BAC in accordance with digital ASEAN development. It has organised the ASEAN Business and Investment Summit with the theme of Digital ASEAN – Sustainable and Inclusive, where several matters were discussed. The first is the ASEAN Common Data Policy which is aimed at shaping a common regional data policy and creating best practices on data classification in formal input processes. There is also a focus on ASEAN's digital skills where there needs to be a shared commitment to train digital skills for the ASEAN workforce. The third area is in ASEAN e-commerce and e-payment, where an e-commerce platform will be built to foster a common ASEAN e-payment framework. The fourth area is in ASEAN cyber security.

In 2020, ASEAN-BAC Vietnam is working on Digital Start-ups Towards ASEAN Resilience and Sustainability (Digital STARS). The outputs of digital STARS 2020 can be described in three deliverables; (i) ASEAN networks sharing the best practice of digital start-up profiles with digital transformation solutions in entering markets and fundraising for growing and scaling up in the region, (ii) policy recommendation on facilitating digital transformation in ASEAN, and (iii) introduction of innovative, affordable and available digital transformation solutions to SMEs in ASEAN. During the 36th ASEAN Summit in June 2020, ASEAN-BAC has urged leaders to set up a high-level special commission of ASEAN that is supported by a Special Business Advisory Board. While this initiative has been supported by some ASEAN leaders, it is uncertain if the proposal will be adopted. Regardless, there needs to be a new working mechanism instead of the traditional way of doing things in leadership through the extensive adoption of digital technology in a fast changing world where both opportunities and challenges lay.

WELCOME SPEECH

Tan Sri Michael Yeoh, KSI Strategic Institute for Asia Pacific

The ASEAN theme for 2020, *A Cohesive and Responsive ASEAN*, adopted by Vietnam is apt and relevant in light of the COVID-19 pandemic and the many challenges faced by ASEAN. COVID-19 has required ASEAN to enhance cohesiveness and strengthen regional cooperation, particularly in public healthcare and economic cooperation, as the region grapples between the challenges of health, economy, and livelihood.

For a long time, ASEAN has been characterised by the 4Cs – the ASEAN Community, Charter, Connectivity, and Centrality. Discussions need to take place to determine how the 4Cs of ASEAN can become more responsive and effective as ASEAN moves forward in the years ahead. The business community also hopes that the Regional Comprehensive Regional Cooperation (RCEP) Agreement can be signed and concluded by 2020. At the same time, there is hope that ASEAN countries and China can move forward to conclude and agree on negotiations on a code of conduct in the South China Sea. It is important to include civil societies when discussing the future of ASEAN.

INTRODUCTORY REMARKS

Datuk Seri Mohamed Iqbal Rawther, Adviser, KSI Strategic Institute for Asia Pacific / Chairman, Economic Club of Kuala Lumpur

Regardless whether or not there is a pandemic, there is a need to move forward with the ASEAN agenda where action is needed to propel objectives forward. This is a global challenge that is being faced. In ASEAN, good leadership has been demonstrated with Malaysia being one such country that has provided good leadership in containing the pandemic.

ASEAN is a very unique example that cannot be compared to the European Union and other regional organisations. It is brilliant in some areas while having shortcomings in others. A forum is needed to bring forward positive factors that can propel ASEAN into becoming a more robust region. It is currently the 6th largest economy with 620 million people, out of which one-third are youth. These are good foundational factors needed to energies the region.

There is much potential in ASEAN, but it first needs to overcome the pandemic. In June 2020, the Hanoi Plan of Action was agreed to by the ASEAN economic ministers to revive the economy despite pandemic conditions. On 14th April 2020, a virtual meeting was held among the ASEAN leaders at a special ASEAN Summit where it discussed means of enabling agencies and frontliners to boost the ASEAN economy. There needs to be collective action to mitigate the impact of the coronavirus. Supply chain disruptions have been evident in the initial stages of the lockdown, affecting both consumers and industrial goods. A reorganisation of the supply chain and the emergence of a certain degree of digitalisation will make the moving of goods more efficient once more.

Essential goods and food security are important aspects as ASEAN is a major food producer with export potential can be shared among the ASEAN countries. Continued priority needs to be given towards trade and investment.

SPECIAL MINISTERIAL ADDRESS

The Hon. Dato Seri Setia Haji Erywan bin Pehin Datu Pekerma Jaya Haji Mohd. Yusof, Minister of Foreign Affairs II, Brunei Darussalam

It is widely acknowledged that ASEAN has made remarkable progress and achievements over the years. For over 50 years, ASEAN's work has touched millions of lives, lifting many out of poverty and ushering in decades of prosperity and development. Most importantly, ASEAN has created a regional community. This success would not have been possible without regional peace and stability, which is what the founding fathers of ASEAN were very well aware of. It is for this reason that treaties in the likes of the Treaty of Amity and Cooperation, the Zone of Peace, Freedom and Neutrality, and the Southeast Asia Nuclear Weapon's Free Zone became the main focus of ASEAN's earlier efforts which have continued to this day.

ASEAN was less concerned about engaging in military conflicts and was instead more determined to build up confidence between countries to avoid conflicts. This is the fundamental belief which still holds true today. This is more important than ever as the world enters a new and uncertain era. Every generation has its problems and the challenges of today are not the same as the last. They have become more complex, interconnected, and impactful. Major power rivalries have entered a new phase. Multilateralism and key institutions like the United Nations, the World Trade Organization, and even the World Health Organization which have served the global community well in the past have come under pressure to be unravelled.

Existential threats like climate change have even been described as a hoax by some while others have not taken it seriously. Meanwhile, the Fourth Industrial Revolution has had transformational changes, bringing new opportunities as well as severe anxieties. The same can be said about the COVID-19 pandemic where health, security, lives, and livelihoods are questioned. There are also uncertainties in the maritime domain where peace and security, especially in the South China Sea which is vital to more than half the world's trade, has become contentious.

ASEAN is on the edge and must consider its direction. It must first recognise where it stands. ASEAN has admittedly been working in silos on issues concerning political security, economics, and sociocultural pillars, all of which have their own sectors, agendas, and processes. To overcome crises such as the pandemic, climate change, or maritime security, there needs to be a move away from the archaic way of doing things. ASEAN's ability to overcome such challenges is not determined by the strength of its member-state's military, but its diplomacy and shared commitment toward regional peace, security, and prosperity. Rather than take sides or become proxies for major power rivalries, ASEAN has united its members in addressing issues of common concern. However, many of the challenges faced by countries in the region cannot be resolved by ASEAN alone. It requires unity, solidarity, and most importantly, the formation of solid partnerships.

As the backbone of the region, ASEAN should demonstrate strong leadership as the central point between countries in Southeast Asia and beyond. ASEAN's platform should be used to promote constructive engagement between countries including major powers. At the same time, ASEAN should also work with partners in other multilateral institutions to mobilise like-minded countries to action. In this regard, Brunei Darussalam will continue to be committed to working with fellow ASEAN-member states and external partners to achieve this.

The COVID-19 pandemic is this generation's single most challenging crisis to-date. The pandemic threatens to bring about the worst global recession since the Great Depression of the 1930s. To prevent this, ASEAN must enact a swift and sustainable regional recovery plan. Its own history of over 50 years has taught the region that prosperity and development require a peaceful regional

platform. The question ASEAN must consider is how can the private sector also help to contribute towards ASEAN's continued peace and stability. To achieve this, greater investment and business exchanges are needed in each other's country. Together, business and investment can create a network within the region, binding countries much closer. To make this work, open economic policies must be utilised to enable the free flow of goods, services, and investments. Only then can ASEAN truly increase inter-ASEAN trade and investment, building up the region's long-term resilience to external shocks.

Rather than competing with each other, businesses and industries must complement one another. This is about extending production bases within the region to enhance its collective competitiveness. Supply chains need to be expanded within the region and strengthened with external partners. ASEAN also needs to embrace the vibrant and natural development of sub-regions such as BIMP-EAGA. These areas rich in strategic resources have great potential for investment and development that can not only improve national development and growth, but also region-wide growth.

Governments too have a role to play. ASEAN-member states must faithfully implement their commitments to all regional agreements. This is especially true for the action lines for each of the blueprints under the ASEAN Community Vision 2025. Conventional wisdom suggests that the collective success of ASEAN will be more valuable in the long-term compared to the gains of individual states alone. Its countries should therefore realise that working collectively and prospering together is a way to ensure continued security. As the region enters a decade of uncertainty, this collective approach where no one is left behind should become the ASEAN way. Leadership and partnership are qualities that are vital for ASEAN in the many years to come. The strength of ASEAN is greater than the sum of its member-states.

H.E. Dr. Than Myint, Union Minister for Commerce, Myanmar

ASEAN is geopolitically situated right in the middle of two main oceans – the Indian Ocean and the Pacific Ocean, which are commercially important and thus plays a role in promoting intra-regional and inter-regional trade. To create a cohesive and responsive ASEAN, there is a need for unity, cooperation, solidarity, and economic integration, as well as an ASEAN awareness and identity. The importance of promoting ASEAN proactiveness and capacity is necessary in addressing the challenges brought upon by the changes in the regional and global landscape.

The COVID-19 pandemic may have slowed down the progress on the various ASEAN free trade agreements. These efforts will be resumed to ensure that ASEAN FTAs will incorporate mechanisms to allow the flow of supply chains, and continue to deliver new opportunities for businesses, especially the vulnerable groups and SMEs. The 26th ASEAN Summit recognised the role of digital technology, while the 2019 ASEAN Community Leadership and Partnership Forum highlighted an urgency to work together to realise the potential of technology in developing the digital economy which is necessary to facilitate the creation of new business opportunities that will spur regional growth.

ASEAN is a key global economy, but it is not yet a key digital economy. Digitalisation is critical for the region to compete with other major economies. Therefore, ASEAN member states must recognise the importance of cybersecurity cooperation to ensure an open, secure, safe and resilient cyberspace to smoothen the ASEAN digital economy. Contributions from members of the community alongside government efforts must be recognised as key to creating opportunities in the digital age that will help promote intra-ASEAN trade and investment. However, regional

cooperation cannot succeed with political commitment alone. The people of ASEAN are capable of addressing global economic challenges. Continued collaborations and cooperation among countries in the region will enable empowerment which is conducive to effective peace and development.

ASEAN ECONOMIC CHALLENGES: FORGING PARTNERSHIP

Moderator:

Dr. Chheang Vannarith, President, Asian Vision Institute, Cambodia

ASEAN has a combined GDP of USD 3.2 trillion, making it the fifth largest economy in the world. With a total population of 650 million people, it is the world's third largest population after China and India. ASEAN also has a youth population of 250 million aged between 15-34 years old. This presents great potential for the region.

Digitisation uptake among the ASEAN population is rapidly increasing with an internet penetration rate of 70 percent, 60 percent for social media, and 132 percent for mobile connectivity. The ASEAN Community, through the efforts of the ASEAN Secretariat, is conducting a mid-term region of the AEC Blueprint 2025. The ASEAN Single Window is operating live in all ten ASEAN-member states, with other trade facilitations ongoing. The gap that ASEAN currently faces are in terms of inter-ASEAN trade in goods which remains low at 23 percent, intra-ASEAN trade in services at 15.7 percent, while inter-ASEAN investment stands at only 15.8 percent.

Speaker:

Dr. Mia Mikic, Director, Trade, Investment and Innovation Division at United Nations ESCAP

It is difficult to talk about ASEAN as a homogenous economic space because it is not. This is why the impact of COVID-19 and trade tensions are variable across economies as it is dependent on economic fundamentals and the ability of each country in reacting to the various changes in the external environment.

The IMF expects a decline in ASEAN's growth output for 2020 with a drop of 2 percent. However, a recovery of 6 percent is expected for 2021. The loss of employment and work hours is worrying. Statistics reveal that 16 percent of work hours have already been lost in Q2 2020. This is a matter of concern as the share of the labour force that is able to work from home is very low in ASEAN being at around 7 percent. Therefore, even though the region is one of the best in digital connectivity, it has not been able to leverage upon this advantage in a productive manner.

There are also challenges in trade tensions with the bilateral US-China Trade War which caused a repositioning of some of ASEAN countries that are well embedded in "factory Asia" and are therefore impacted both positively and negatively from this trade tensions. COVID-19 has created a very different regional and global trade environment. With lesser support from the multilateral system, ASEAN as a bloc is now in a position to safeguard law and order in the area of trade. During the 8th Meeting for RCEP, ministers were keen on proceeding with the agreement in order to preserve the large market for the ASEAN economies.

Dr. Thiam Hee Ng, Principal Economist, Southeast Asia Department, Asian Development Bank

Numbers from the second quarter of 2020 have revealed that many countries have suffered in terms of GDP growth. Overall as a region, ASEAN is expected to experience its first ever decline since the Global Financial Crisis of 1997.

ASEAN is an open economy and the COVID-19 pandemic is a global phenomenon. In order to limit the impacts of COVID-19, countries have imposed restrictive measures such as various forms of lockdowns since March 2020. As a result, COVID-19 has been brought under control in some countries, leading to some of these countries reopening its activities to the region. Most notably, China has recovered quite quickly. Despite the absence of Chinese tourists in the near future, exports to China have been on the increase. Supply chains that were disrupted when China closed its factories, have been able to resume production, resulting in the manufacturing sector growing once again.

Leigh Howard, Acting Commissioner to South East Asia, Victorian Government Trade and Investment – South East Asia

The Victorian Government operates a network of 22 international offices, three of which are in Southeast Asia, located in Singapore, Kuala Lumpur, and Jakarta. A new office will be established in Vietnam by the end of 2020. This demonstrates how seriously the Victorian Government views its interactions in the ASEAN region, which is its second largest trade partner.

COVID-19 has led to changes in the way people work. The impacts and disruptions on supply chains in Southeast Asia have been noticeable, particularly as the reduction in aircraft travel has had an effect on freight. This impact has been observed within ASEAN and in terms of international trade. Southeast Asian nations are typically seen to be involved in the trade of premium produce which require air freight. This has died off in recent times due to these disruptions in the supply chain.

Despite these challenges, opportunities have also presented themselves. For example, there has been an increase in e-commerce and e-commerce-based exports. There have already been reports that e-commerce was booming prior to COVID-19, but the pandemic has led to the accelerated adoption of e-commerce in a way ASEAN consumers have been able to access goods thereafter.

Penny Burtt, Group Chief Executive Officer, Asialink University of Melbourne

COVID-19 has whipped out many years of development for several ASEAN countries. This has profound impact on efforts in reducing poverty and inequality over the past decade. The pandemic

has not merely contracted economic activity, but could also have fundamental impact on long-term growth trajectories for some of ASEAN's less development members.

Underneath the macro numbers, there have been disproportionate impacts on SMEs all across ASEAN. In fact, SMEs are the backbone of many ASEAN economies, constituting 80 percent companies in these economies. With COVID-19, that backbone has essentially been broken.

COVID-19 has also caused women to suffer disproportionately because they tend to be concentrated in part-time and casual work. They are also disproportionately represented in the retail and hospitality sector, which has been impacted by declines in tourism and restrictions in the individual economies, causing women to experience much higher levels of job losses and employment insecurity which could persist in the immediate future.

There have been geostrategic effects from continued US-China tensions as there has been a major shift in global supply chains for many MNCs away from China and into ASEAN. Hence, despite deep economic challenges, there are also opportunities with new FDI flows across the region.

Vijay Poonoosamy, Director, International & Public Affairs, QI Group

COVID-19 is a dramatic global wakeup call and a game changer in terms of public health, social engagement, how people see each other, as well as in terms of economic activities. The IMF has downgraded its global growth forecast from 3.3 percent in January 2020 to 4.9 percent in June 2020. For the ASEAN region, the Asian Development Bank (ADB) estimates that growth will drop from 4.4 percent to 1 percent in 2020, and that COVID-19's economic impact could reach USD253 billion. For the Asia Pacific region, the ADB estimates up to 170 million jobs will be lost and the labour income could drop by USD550 billion.

This is a time where new mindsets are needed to find new solutions for the new normal. A new normal of diluted globalisation and undiluted nationalism makes the path between going global and going alone even more appealing, which is the path of regionalisation.

Shazali Sulaiman, Partner, Shazali & Partners

The fall in oil prices has hurt oil exporting countries. As a result, many SMEs and contractors that support the energy sector have suffered badly. Unemployment is also a growing issue. Due to Brunei's high youth population, an increased 10 percent unemployment rate has been observed.

COVID-19 served as a wakeup call as it has exposed a digital divide. 20-30 percent of students do not have access to the internet nor do they have the right digital tools to allow them to learn at home, creating a digital divide among those who have the means and those who do not. There needs to be a new way of doing education.

There have been unexpected positives from the pandemic as Bruneians tend to go across the border every weekend to Sabah and Sarawak and end up spending a lot of money in East Malaysia. While East Malaysia has suffered from the lack of patronage from weekend Bruneian customers, what has happened instead is that Bruneians are buying local and supporting local industries. Many retail outlets and restaurants have benefited from COVID-19 as citizens are deterred from travelling outside the country due to quarantine restrictions.

Brunei will chair ASEAN in 2021. It is likely the threat of COVID-19 will still be present, presenting challenges to inter-ASEAN trade services and business. Less than 20 percent of trade happens within ASEAN. Measures need to be taken to increase this to 40-50 percent for ASEAN to become a true economic bloc where free trade exists between the ten ASEAN member countries. At present there is insufficient trade services and investments within ASEAN. With or without COVID-19, a challenge still exists in ASEAN to bridge the inequality gap between the rich and the poor in terms of per capita income.

Dr. To Minh Thu, Deputy Director General, Institute for Foreign Affairs and Strategic Studies, Diplomatic Academy of Vietnam

COVID-19 has exposed economic and non-traditional security challenges. Economic development is dependent on the non-economic aspects of life, which is something that must be kept in mind when devising solutions to overcome economic challenges. The pandemic has not only brought about disruption in the supply chain, but has also led to poverty, gender inequality, and the digital divide between those who have access to the internet and those who do not. The issue needs to be addressed as a whole.

There is growing risk of rising public debt. While this may not manifest in 2020, it will likely be the case in the coming years. All around the world, central banks are pouring money into the market by printing and borrowing money which is causing an increase of public debt.

On the positive note, ASEAN has been still seen trying to unite and being a cohesive, responsive regional grouping. ASEAN has indeed been quite responsive to the new challenges brought upon by COVID-19, being one of the first groupings to organise summits in the form of the ASEAN+ Summit on COVID-19 in early 2020 to address growing concerns about the pandemic. Hence, ASEAN is still very linked and working closely together.

Masataka Fujita, Secretary General, ASEAN-Japan Centre, (ASEAN Promotion Centre on Trade, Investment and Tourism)

ASEAN was able to make commitments against COVID-19 earlier than anyone else, acting even before the G7, G8, and G20. Such commitment is crucial to mitigating the impact of the virus. COVID-19 is a different crisis as it affects everyone equally. It is different compared to past crises like the Asian Financial Crisis 1998 or the financial shocks experienced in 2007-08 which started with impacts to the financial economy before it went on to affect other areas. The impact of the COVID crisis will reach beyond the financial sector as it will affect both the demand and supply sectors at the same time.

As the pandemic affects everyone, strategies have been focused on recovery. Since the start of the pandemic, most experts have advised for more resilient economies and resilient supply chains. The first reaction from governments during the crisis was focused on saving people's lives and saving companies, which is the right thing to do. However, governments need to move beyond the preservation of life and move towards economic recovery by not only aspiring to reach previous levels, but reach for even higher levels of economic resilience.

New policies need to be introduced to strengthen supply chains and to make them more resilient. Unfortunately, there are insufficient policies among the individual ASEAN member states, particularly on policies that foster and strengthen supply chains, as many are still busy focusing on saving their local companies. On the other hand, the Japanese government has introduced initiatives to multiply the number of supply chains in ASEAN. This is a practical policy measure that can be introduced.

With current practices, the best outcome that can be expected is the opening of different cities for trade to allow seamless flows of goods and services. E-measures can also be introduced to facilitate border controls, such as the e-issuance of certificates of origin. While these initiatives are good, to foster more lasting impact, more needs to be done.

There needs to be improvements in risk management in anticipation of a crisis, just as how countries prepare for natural disasters. Japan is often hit by earthquakes, in the same way how Thailand is hit by major floods. Each country has different forms of risk. Similarly, it is important for companies to take account of various risks in management. New industries which are resistant to crisis need to be promoted.

Both Japan and ASEAN lament the sluggish pace of digital transformation. This is where Japan and ASEAN can collaborate, as there needs to be a move towards the establishment of digital supply chains using ICT.

While ASEAN has an emerging youth population, it is also moving towards an aging society. This presents potential issues. The ASEAN region or Asian Miracle has experienced economic growth because it has more people, more machineries, and more capital labour inputs. However, there is a danger here as a labour increase may create a middle-income trap before reaching a higher income stage, whereby a country's growth burns out.

There needs to be a common international strategy. Supply chains have been disrupted simply because cooperation between companies have established the integrated international production system. Due to the pandemic crisis, supply chains have been severed, causing many companies to be unable to procure materials required to produce necessary medical equipment necessary to deal with COVID-19, such as PPE.

The root cause leading to the slowing down of globalisation has to be addressed as it has not been progressing since 2015. While one may argue that this is not the case for ASEAN based on growing trade volumes and FDI, it has not in fact grown in terms of GDP.

Concerning the rivalry or decoupling between US and China, some say this will be good for ASEAN as there might be a move from China to ASEAN and that some countries may benefit from this. However, ASEAN is not a heavy weight. Not only is the effect of globalisation becoming smaller, but decoupling will also make the pie of the global economy even smaller. Therefore, in the long-run, decoupling will negatively affect ASEAN as a whole.

Ambassador Michael W. Michalak, Senior Vice President & Regional Managing Director, US-ASEAN Business Council

COVID-19 has accentuated some of the weaknesses that exist in the global economic and trading system. The pandemic has also exacerbated some of the differences between the US and China, bringing relations between these two countries to a new low.

While ASEAN was one of the earliest to hold joint high-level responses and political statements, which were beneficial, those statements were limited to the aspirational level. Further down the decision chain, mechanisms to keep the essential flow of goods and services robust and flowing to the various economies have become much slower due to bureaucratic and systematic regulatory-related issues that have caused more frictions in global supply chains. This has added to some of the friction that has resulted from existing trade tensions around the region.

There is stronger impetus towards the digital economy, forced upon the world by social distancing and lockdowns. However, the integration of the digital economy, which makes optimum use of cloud and many other types of digital solutions, is not taking place. Instead, a new phenomenon is being seen due to the global pandemic, the “Splinternet”, where each country and region is developing its own rules and regulations which are not compatible with each other. Such economic nationalism and protectionism are worrying outcomes that have come out of the pandemic. In the past, the digital economy served as an enhancement to business programmes and strategy. However, the pandemic has shown us that the digital economy is an essential competitive part of this strategy and has to be dealt with in this manner.

US-China relations will continue to change significantly and will have an effect on the global trading system. At the same time, there are opportunities for progress as well as further deterioration. The pandemic has also accentuated inequalities that have existed for many years around the globe. This needs to be dealt with in a more open and serious manner. Existing supply chains are being disrupted and need to sort themselves out. In this regard, ASEAN does have a role to play.

Dr. Chheang Vannarith

Some critics have said that ASEAN is united in words, but fragmented in action, with individual national governments of ASEAN pursuing their own national strategies in response to COVID-19.

Dr. Mia Mikic

In contrast to the crisis of 2008, global and regional responses to COVID-19 have been relatively weak. Although ASEAN responded in early April 2020 with a statement and established a response fund for COVID-19 which has thus far gathered USD 1 million, this remains greatly insufficient in respect to the needs. Even though they are aligned in terms of funding for regional cooperation and procurement, these are merely areas that should have been looked at from the very beginning since January 2020 when it was understood that COVID-19 is a human-to-human transmitted virus which no one country can solve on its own as it can lead to cross border problems. ASEAN needs to utilise its regional mechanisms that are already in place as they have not been used effectively. An example of this is the ASEAN Single Window, which has not led to improvements in the flow of goods across borders. Hence, there are still many bottlenecks in operational areas. There should be greater focus on implementing these good mechanisms already in place throughout ASEAN.

The ASEAN Secretary-General's brief and recommendations provided a diagnosing of actions that were lacking and identified inherent weaknesses that need to be addressed to move forward in four policy areas, (i) inequality, (ii) bridging the digital divide, (iii) ensuring green recovery, and (iv) upholding human rights and good governance. Through the SDGs, UN ESCAP monitors the progress of countries in achieving these goals and targets. A report at the end of 2019 clearly showed that ASEAN has failed in eradication inequalities. With the shock of COVID-19, addressing these inequalities have become more challenging.

There is a need to expand the universal health system as the pandemic has shown that the quality of the health system has an effect on a country's rate of success in responding to the virus. There are groups that have often been forgotten, such as migrants and those who have no national status in a country, but yet require coverage. This also needs to take account of the movement of people across the region as such monitoring is lacking. In terms of the digital divide, investment and infrastructure is key as they determine whether people have access to high quality and affordable internet. However, what needs to be done in ASEAN to move forward is to look at legal and regulatory barriers for the expansion of the digital economy across the region and to create a genuine single economic zone. More needs to be done in order to fully leverage on the advantages offered by digital technologies and frontier technologies that the region can use to advance forward.

Dr Chheang Vannarith

What more can ASEAN do to improve gender inequality?

Penny Burt

There is a need to recognise the unique problems faced by women during the pandemic and having data on its impact. Such insights can then be used to formulate appropriate policies going forward on the recovery through a "gendered-lens", rather than a "one-size fits all" response bearing in mind the differential impacts specifically on women. A core feature of economic recovery requires digital enablement that provides skills to entire communities to engage differently to take advantage of opportunities. In terms of infrastructure, learning opportunities, and broader access, women are not as well positioned as men to take advantage of the digital economy. Taking into consideration that IR4.0 and the world is moving towards a new technological environment, women in Australia and Southeast Asia are dramatically underrepresented in schools and at the university level in STEM disciplines such as engineering and digital economy education. This requires addressing the issue of women in STEM more broadly.

Dr Chheang Vannarith

Has ASEAN done enough to address issues of unemployment and creating job opportunities across the region?

Dr. Bernard Thiam

While unemployment is very much a national issue, it is also something ASEAN can support through the creation of employment opportunities with the provision of conducive environments in the region to facilitate the free flow of goods, trade, and services. Due to COVID-19, there are now many restrictions in the region. While the flow of goods has to some extent normalised, business travel is still restricted. Unless business travels resume, it would be difficult for the economy to recover.

There is much talk about the "travel bubble" with negotiations such as ones taking place between the Malaysian and Singaporean government that can allow essential business travels between the two countries. A way ASEAN can support this is by making arrangements on a bilateral basis. A regional template can be created on how such travels can be facilitated and become a major boost for the region. Tourism is a major contributor to jobs and economic growth in the region. However, cross border tourism has come to a standstill. There needs to be ways to facilitate its resumption as many jobs are at stake. This is complex as although there are intra-ASEAN flows of tourism, there is also a significant number of tourists beyond the ASEAN region which may be more difficult to facilitate. If a plan can be devised to ensure safe travel within ASEAN, then other countries can be convinced to allow their citizens to travel to ASEAN and vice versa. ASEAN can play a role in facilitating more labour flows across the region as there may be shortages in certain types of workers in one country and a surplus in another. There are tremendous benefits if workers are allowed to relocate.

Dr. Chheang Vannarith

What is the role of the private sector in this process of regional recovery? How can the private sector be made more inclusive and green?

Shazali Sulaiman

20 percent of the Brunei population works for the Bruneian government. Such a high ratio of people working for the government acts as a stabilising factor for the consumer and retail market. 70 percent of the population still receive full salaries. 93 percent of companies in Brunei are micro, small and medium enterprises (MSMEs) out of which 65 percent are micro industries with only 5 employees or less. Much of the Bruneian private sector is unaware of the situation in ASEAN, AEC, or matters of free trade as they are concerned with their own domestic economy. For Brunei, addressing issues of unemployment requires diversification and a move away from the oil and gas sector. This requires the government to bring more FDIs into the country, which in turn requires the investment climate to be more conducive. There is also a need to turn attention from short-term economic recovery to diversifying certain sectors in the area of manufacturing, Islamic banking, Islamic financing, and other industries in a move away from oil and gas. Brunei's currency is on parity with the Singapore Dollar whereby both currencies can be used interchangeably in each other's market. Many monetary policies adopted by the Bruneian government needs to be in line with the Monetary Authority of Singapore. This requires G2G discussions to discuss quantitative easing and other policies when it comes to helping the private sector. COVID has caused countries to become internally-focused on helping their own SMEs and micro industries rather than looking at ASEAN and its export-based industries. In Brunei, the micro industries are predominantly run by women who have a higher level of debt repayment compared to their male counterparts. In the private sector, more discussions are needed with the government on how to diversify the economy and attract FDI to help support the economy. Much of Brunei's FDI comes

from China and Japan. As Brunei is a small economy, much of its food items are imported from other ASEAN countries. There is a green lane to ensure greater food security for its population.

Vijay Poonoosamy

To go far in this destabilised and fractured world, it is still wise not to go alone. ASEAN states and stakeholders must develop a cohesive and responsive ASEAN community. Enhancing regional trade and connectivity is critical as regional supply chains and markets are more resilient and environmentally friendlier. Regional tourism will take off earlier compared to long-haul tourism. Fundamentally, trustworthiness and transparency must be at the heart of everything as regional nation building requires a sense of belonging and a sense of pride, both of which cannot be instilled amidst exclusion, fear, inequities, injustices, and inequalities. These social ills become toxic when mixed with bad governance, anti-democratic values, and leaders without integrity in the public and private sectors. Traditional claims that stronger economic growth is the best antidote to inequality because everyone is supposed to get a bigger slice of a larger pie is quite hard to swallow. A report released by Oxfam in 2020 revealed that the world's 26 richest billionaires own as many assets as the world's poorest 3.8 billion. The fight against poverty and inequality is critical in the process of regional nation building as it is economically counterproductive, socially unsustainable, and politically suicidal for the few to exclude the many. More so in the new normal, communities move from having to accept what cannot be changed to having to change what cannot be accepted. The Asian community as a community of linked interest requires governments, businesses, and civil society to work together as they depend and need each other, working for the development of a just, caring, sustainable, safe, resilient, virtuous, and happy ASEAN family.

Dr. Chheang Vannarith

ASEAN is developing a comprehensive economic recovery plan which will be adopted during the ASEAN Summit in November 2020. What are some of the insights to this economic recovery plan?

Dr. To Minh Thu

The Vietnamese Ministry of Industry and Trade is tasked with formulating an economic recovery framework alongside ASEAN partners. Facing these challenges requires a look at the broader picture. COVID-19 has presented an opportunity as it has facilitated a quick move towards digital transformation. ASEAN needs to focus more on education, especially in terms of retraining, reskilling and upskilling the workforce. The percentage of the working population able to work online is only 7 percent, but there will soon be a change in the production and structure of companies to accompany the forms of work flows to allow high-skilled workers to work from home. ASEAN needs to be prepared for these changes. ASEAN should also put more focus on trade policy coordination. In the area of trade, there has been some progress as ASEAN has moved forward with RCEP with hopes that it can be concluded by the end of 2020. RCEP will open great opportunities in these critical times with the reallocation of supply chains, which can play a facilitating ASEAN role in overseeing the creation of these more resilient and more coordinated regional supply chains. ASEAN will soon face issues with public debt. While it has experience dealing with the Asian Financial Crisis, it needs to put more focus on ASEAN and ASEAN+3 financial cooperation in these critical times.

Dr. Chheang Vannarith

What is the Australian perspective on the realisation of RCEP by the end of 2020?

Leigh Howard

Overall, there is unified support for ASEAN to achieve its objectives. This includes free trade and trade liberalisation agreements that will allow the increase of new trade and investment opportunities. ASEAN and Australia has a large number of free trade agreements compared to other nations or regional groupings. Most recently, it concluded the AI-CEPA with Indonesia which is not merely an FTA but also holds much broader opportunities for ongoing development and dialogue as industry developments unfold. This is a wise approach more akin to an economic partnership. Such approaches not only present trade and investment opportunities, but access to expertise and best practices in economic recovery strategies for future capacity building. Lessons can be learned not only from the success of partners, but also their failures and being able to adopt best practices where it suits any country's or region's circumstance. The Victorian government practices an open-door policy where it invites other governments to explore its plans. In one example, the Victorian government developed an industry development plan for illicit trade of cannabis, a matter of which many countries in ASEAN have conservative views towards. Yet, this is an emerging industry that is serving new up opportunities. Information on such plans were shared with counterparts from other health and trade ministries who were keen to examine this development plan.

Masataka Fujita

ASEAN can play a central role in RCEP. What is important for Japanese companies and the Japanese economy is the composition of countries in RCEP, ensuring that countries like China, South Korea, and Japan are included. These three countries are the major economies in Asia, but do not have any FTAs. Thanks to RCEP, they now do. ASEAN stands to benefit from the relationship between these three big Asian countries. It will be a major achievement if RCEP is concluded.

Ambassador Michael W. Michalak

Partnership is key when talking about how ASEAN can leverage on its centrality and its dialogue partners. All the challenges faced by ASEAN are exactly the same challenges faced by every country around the world during the COVID-19 pandemic, regardless if they are rich, poor or in between. However, the fact that they are the same does not make them any less severe. There is still a need to move ahead and attempt to resolve these challenges. Continued discussions on partnerships and ASEAN is necessary. RCEP is not the only key model for partnership. There is also the CTPPP which is also a grouping of like-minded countries looking to push the boundaries of trade and investment liberalisation, as well as the liberalisation of the digital economy. The digital economy is central to the type of recovery being made, reserved in the provisions of the CTPPP. In the US' recent trade agreement with Japan, there are provisions for the digital economy that build upon the provisions in the CTPPP. It is key to build trust and transparency, which are two of the biggest factors needed for ASEAN to move forward. It needs to work with dialogue partners on these issues. Many of ASEAN's trading partners have been supporting the ASEAN Low Value Shipment Programme as a means of facilitating trade, but not much progress has been made despite 3 years of negotiations. More work is needed to improve best practices, cooperation, and coordination within ASEAN economies. There are still instances of regulations sponsored by one ministry within an ASEAN member state contradicting with regulations from another ministry within that same country, not to mention the differences that exist between the various ASEAN member states. As many countries around the world are putting up barriers to trade in the global economy due to COVID-19, ASEAN would be best served by uniting and focusing on becoming a coherent 650-million-person market that remains a staunch defender or the rules-based, transparent, global trading system. Such concerns were highlighted in a meeting of ASEAN Economic Ministers. This is exactly why trade agreements and the digital economy are important.

PROMOTING ENTREPRENEURSHIP, SOCIAL ENTERPRISES AND STARTUPS

Moderator:
Prof. Datuk Dr Denison Jayasooria, Co-Chair, Malaysia CSO-SDG Alliance / Head of the secretariat for the All-Party Parliamentary Group Malaysia on Sustainable Development Goals (APPGM-SDG)

Whether businesses are big or small, the issue is whether entrepreneurship and business models can be different in the post COVID-19 world. The question remains if businesses can continue being the same or if there should be a much stronger focus on local economies, grassroot communities, and alternative approaches to economic growth.

In a world where growth, GDP, and income levels are given importance, it is arguable whether or not money is the defining indicator of success, or if community resilience and sustainability can be defined in non-monetary terms. There is also a question whether entrepreneurship, social entrepreneurship, social enterprises, and solidarity/community-based economies can offer alternative frameworks to the larger businesses. The search is on for a different economic agenda that is more resilient.

Speakers:

Dr. Benjamin R. Quinones, Jr., Founder, Asian Solidarity Economy Council (ASEC)

Due to COVID-19, markets have become vague and big enterprises have stalled. Priority should be focused on revitalising the local economy instead of the macro economy as it is much easier to do. When local economies are revitalised, it will then move the bigger economic machinery.

The promotion of entrepreneurship to revitalise the local economy does not always refer to the adoption of subsidy programmes or charity. Instead, it is about encouraging entrepreneurship at the local level in order for people to have jobs and be able to form synergies to develop the local economy. Little investments are required to revitalise the local economy. The major priorities are centred on two matters; food and health. These are issues that the local economy can cater for.

The most important and practical partnership is for big companies, such as MNCs to partner with local economies and jumpstart the local economy. The World Bank has suggested imposing a solidarity tax for multi-millionaires. However, multi-millionaires investing in local economies will be more effective than taxation as money given to the government is spent on national projects.

Dr. Ir. Eri Trinurini Adhi, Board Member of ASEC/RIPESS and Bina Swadaya Foundation, Indonesia

For the economy to recover post-COVID-19 requires an understanding of the actors within the economy. In Indonesia, micro enterprises comprise 98.7 percent of total enterprises and therefore play a significant role in economic recovery.

The economic slowdown which took place during the pandemic has triggered new enterprises in the informal sectors. Joblessness has brought about the creation of home-based industries and new agri-businesses, increasing the number of farmers.

New consumer behaviours have been observed during the pandemic. There has been a higher preference for online shopping and the consumption of more healthy food and organic products. These are positive dynamics for the environment and improved levels of health. Such dynamics also bring opportunities for the local economy where consumers and producers living in the same area can do transactions. Furthermore, these interactions can be developed into a concept of community support for agriculture. However, to support the economy, all economic actors, be it the government, middle-class, or the private sector have to put their attention on the largest affected groups. This requires solidarity among development actors for the provision of appropriate support to micro enterprises that are in need in the new normal.

For starters, there needs to be a change in shopping lifestyles, for instance, buying from friends and going for healthy food options. Micro enterprises need more capacity building on the means of doing business by practicing health and safety measures. This includes production, processing, and marketing to ensure a healthy environment in a post COVID-19 world.

Micro enterprises need to be supported with access to simple credit that only requires a simple process of administration through cooperatives and access to financial institutions and the internet where people can conduct transactions securely.

Michael Walsh, Chief Executive, Pacific Basin Economic Council (PBEC)

Partnership between the wealthy and local economies are already taking place in the region both from domestic conglomerates and regional conglomerates looking to do what they can, especially in the supply chain of health products, such as PPE, and ensuring that these lines are kept open.

When people think about entrepreneurs, they typically think about the younger generation. However, there are also those who are more mature in age. Some have even been able to start up new companies during the COVID-19 pandemic. Therefore, it is difficult to distinguish what entrepreneurship actually is as it goes across all age groups and gender. More needs to be done to encourage more women in starting their own enterprises, especially during times of COVID-19 recovery. In Hong Kong, 82 percent of entrepreneurs are male.

Hyung Cong Thang, Co-Founder & CEO, InnoLab Asia

During the COVID-19 pandemic, even those affected were still able to offer value, remain influential, and carry out strong collaborations. For example, a start up in Vietnam with an e-learning centre providing English language lessons was able to grow in business due to the content and quality of its videos which led to many parents enrolling their children. This is a good sign for entrepreneurship as they have a know-how on value creation, allowing these entrepreneurs to survive even during the pandemic.

70 percent of companies in Vietnam are SMEs. They are the backbone of any society, necessary for job creation and economic contribution. More women have to be encouraged to contribute and participate in the workforce as their values and empathy will allow them to be more resilient. Start-ups in Vietnam have been fortunate to receive financial aid from investors during the pandemic.

Prof. Simon S.M. Ho, President, The Hang Seng University of Hong Kong

Many small businesses and small start-ups have been suffering quite substantially with many closing down. Some have chosen to wait 3-5 months before making a decision to close down or change to another line of business.

Many young people who have started businesses still have the mentality to wait for government handouts or subsidies. Instead, young entrepreneurs should try to control their own destinies instead of waiting for government assistance, which can take time. They need to make up their minds and decide when is the best time to start something new. Starting something does not mean they stop in other things, as whenever there are risks, there are also opportunities.

There are two dimensions – the physical business and the online business. There have been new physical business start-ups in Hong Kong during the pandemic. At the same time, online businesses have been booming, particularly relating to e-business.

Universities have a special role to play at such moments. They need to work closely with other partners, such as NGOs, the government, and businesses to address pressing social needs. For example, there are no more physical classes in school as many people are staying home. The elderly also have special needs.

In an example of a social enterprise, a business group invented and produced a special kind of disinfection liquid. It also has donated money, gave scholarships, and also conducted a business competition for university students. This gave students an opportunity to use real money and products to write up business and marketing plans to help the needy. These activities create shared values, not only for business, but also to help people who are in need, promoting mutual care and solidarity towards one another in the community.

In such times, it is not just about surviving, but also about the creation of more social values. Therefore, the education sector has a special role to play in this juncture. With clear goals, social agendas, and good partners, universities can create more social value.

Prof. Datuk Dr Denison Jayasooria

Entrepreneurship and social business facilitate and enable new opportunities for resilience. What are some examples of this?

There have been major companies that have been unable to carry their usual operations, were forced to dismiss workers, and have been unable to carry on the value chain. Others through start-ups and new innovations have been able to move on. There have also been local economies which have emerged among the poor in the form of informal community-based initiatives that have managed to survive the global lockdown.

Dr. Benjamin R. Quinones, Jr.

An initiative was undertaken in the Philippines by a community of 700 households comprising 4,000-5,000 people which led to the opening of a farmer's market. The idea was to bring the market to the community instead of needing the community to go to the market due to the lockdown. Filipino officials were keen to support this initiative and provided the use of a basketball court where farmers can gather. Each Saturday, farmers will be encouraged to bring their produce. This is an example of revitalising the local economy. ASEC conducts a weekly online academy to promote such initiatives which have been duplicated by its partners. This dialogue is being expanded to the cooperatives seeking markets for their products, especially agriculture-based cooperatives. Therefore, a community-supported agricultural approach has become a very important element. One such initiative which began in a church has now been copied and can now be found throughout the whole city. This is a model on how local economies can be jump started. When big markets fail, an alternative market needs to be created. There are people who are willing to put small amounts of money into such initiatives. This method will be presented to the ASEAN People's Forum and shared with other civil society organisations in hopes of having positive impacts on other local economies.

Dr. Ir. Eri Trinurini Adhi

The Bina Swadaya Foundation is a group of social enterprises that provides products and services such as agricultural magazines, training centres, micro financing cooperatives, consulting focused on community empowerment, and humanitarian and emergency responses. During the pandemic, Bina Swadaya itself felt the impact of COVID-19 and experienced a slowdown in its business. To help others, the foundation needed to survive and become stronger. It exercised three principles to overcome this situation; (i) improve resilience of business or organisations, (ii) adaptive businesses, and (iii) synergy. To implement these principles, the foundation selects businesses which were allowed to operate during the lockdown. These businesses are then advised on how they can modify their business practices. The second is to switch businesses to online marketing, as people were not able to go outdoors as often as before. The third is to optimise the use of digital media in the form of e-books and e-magazines (Bina Swadaya publishes agriculture materials). The next step is to restructure debt for poor women who take loans from cooperatives. Next, as part of a social enterprise effort, it supports paramedics in hospitals with medical equipment and food. Bina Swadaya also supports new entrepreneurs starting a business in agriculture and urban farming, increasing capacity building in urban farming has led to the increased demand of young fruit trees for training and agriculture input. Helping others also helps oneself. As such, these free capacity building workshops have led to the increase in business for Bina Swadaya.

Michael Walsh

Times have changed as 50 percent of regional trade that was once conducted physically has switched to one where digital trade is the majority. Everyone has embraced digitalisation which has been sped up by COVID-19. Many start-ups have emerged before and during COVID-19 as many wanted to try something new. They had nothing to lose as some were let go by their employers. Such times have given opportunities to people to build a better business case for raising capital. Sometimes start-ups fail to invest enough time in evaluating the market and their competition before they launch. They need to do their research and determine if they are providing a unique offering. Hong Kong is a key financial centre and an ideal place to raise capital. With a low tax base, it encourages a start-up environment. The government has encouraged start-ups in different areas, such as smart cities and AI, but the biggest winners are fintech-related start-ups and the ecosystem that is built around it. There is funding available in Hong Kong where companies like Alibaba have entrepreneurship funds. Another sector which has done well is the online entertainment sector. With the lack of content being able to be filmed, the gaming sector has soared in terms of engagement in mainland China and in the region. Entrepreneurs in this space have done very well during this COVID-19 period due to the high demand for content online. This builds its own ecosystem which creates a digital supply chain of smaller companies that feed into the ecosystem from production, practice creators, distribution channels, and so on. There is a need for a positive "can do" mindset that is necessary in the COVID recovery.

Hyung Chong Thang

Although many organisations have suffered from the impacts of the COVID-19 pandemic, they cannot afford to stand still and do nothing. Instead, they can still make a difference in society and encourage others to do the same to make a change. They can help the youth unleash their potential by helping them to improve their career opportunities and launching their start-ups. Many youths have requested help in navigating times of uncertainty, seeking ways to stay strong and motivated. Some investors have spent time helping start-ups navigate and restructure their teams to allow them to survive difficult times during the COVID-19 pandemic. InnoLab Asia initiated the *Give It Back Project* which uses a 1-on-1 mentoring model. Mentors spend time with their mentees, while at the same time, mentees are required to contribute their finances directly to needy recipients. This way, a single goal is able to hit two targets. In just two months, 59 million Vietnam Dồng was raised with more than a hundred mentors and 200 mentees from around the world in participation. Other start-ups and investors are encouraged to use the same model.

Prof. Simon S.M. Ho

During the COVID-10 pandemic, there are four areas with the most business opportunities - health, learners, families, and the elderly. Many start-ups may have had long-term plans, but the financing aspects may not have been easily available in a short period of time. This has forced them to change and adapt to the new environment. It is best to combine online, offline, and physical types of activities to promote human interaction. The pandemic has been a good opportunity to promote new business and new values. In Hong Kong, most restaurants were not allowed to open till late in the evening. Consumers could only take aways or purchase food items from supermarkets. This is a huge market for many families in Hong Kong, especially new couples, who seldom cook due to the lack of cooking experience. This then provides a good opportunity to focus on the family and pick up cooking skills. Start-ups have also established their own online club, where members share their meals and experiences online. This has become a form of business that does not solely focus on goods delivery or services but also promotes people interaction, family harmony, communication, and encouraging people to share in the community. These are the best times not only to think about business but also social needs and values. Start-ups operated by young entrepreneurs need to be lean and have quick turnarounds. Overheads need to be put aside.

Prof. Datuk Dr. Denison Jayasooria

What would be an ASEAN agenda which could be supported by member-states and ASEAN people-to-people networking?

Dr. Benjamin R. Quinones, Jr.

There is a need to look into what local communities are doing in order to survive as they provide proven concepts of ongoing initiatives already happening on the ground, rather than seeking new solutions and ideas. This is a key agenda that needs to be taken up by ASEAN governments and the private sector. At the moment, it is the local economies which are providing alternatives to revitalise the local economy. The message carried by such groups can be highlighted at the ASEAN forum to allow attention to be given to these initiatives happening at the local level to support start-ups and ongoing enterprises that are creating new innovations to revive the economy.

Dr. Ir. Eri Trinurini Adhi

Not all MSMEs have access to digital and online marketing. Some individuals do not even have mobile phones. Therefore, an economic strategy must take account that not everyone has access to digital means and the internet. Offline marketing through cooperatives and methods of face-to-face marketing needs to be developed in an economic revitalisation policy. ASEAN should acknowledge the success of social enterprises to encourage more start-ups to follow in their footsteps. This way, not only can entrepreneurship be cultivated, but social entrepreneurship as well. For women to be successful entrepreneurs, there are issues that need to be addressed, particularly with family care. Capacity building for women is needed where a framework for care and support needs to be in place to allow women to focus on their business activities. Incentives are needed for social enterprises as they are not merely doing business, but also have a social mission to eradicate poverty and provide solutions to social issues. They deserve incentives for the positive works they carry out in the form of tax rebates or other forms of incentives which can be applied from other countries.

Michael Walsh

Aspiring entrepreneurs must try to avoid areas that involve too much government regulations as this is often a stumbling block, especially when entrepreneurs are running far ahead of policy makers. Until governments themselves develop their own digital capacities, it would be best to stay away from areas that are highly regulated as it will be a stumbling block to innovation. Digital capacity building should be brought to schools by making teaching more integrated. It can be a part of the process of creating a new generation of entrepreneurs with the right skills and values. The value of internships cannot be underestimated as it can help large companies find their direction. Governments should consider incentivising the private sector to allow more internship placements in the local economy. This provides students an opportunity to learn from their peers and decide on their entrepreneurial direction.

Huynh Cong Thang

Labour mobility within the ASEAN region needs to be improved by finding ways to allow the workforce to move around the region to maximise their potential and add value to the public. This can help create a diverse workforce with a rich background and strengthen ASEAN culture. With the growth of new technology, ASEAN's strong cultural identity can be further promoted.

Prof. Simon S.M. Ho

There are two levels of how multi sector collaborations can be promoted in each economy, including the business sector, NGOs, social enterprises, governments, and universities in the Asia region. The region has common issues and values, for example, how it views health, education, family, and the elderly, which may not be the same as in other regions in the world. Hence, there are common values that can be shared and common solutions can be worked upon. For start-ups and young people from the education perspective, five principles must be encouraged to develop entrepreneurship – passion, purpose, plan, people, and product model. These 5Ps are important when times are good and more so during difficult times. Entrepreneurship education is key. It is not merely about teaching students about start-ups, but also about learning other skills to improve competency, for example, improving communication, thinking skills, and increasing creativity.

Prof. Datuk Dr. Denison Jayasooria

There is a need to strengthen local economies, especially among the Bottom 40 percent, which involve addressing issues of poverty and inequality, leading to a positive impact on the macroeconomy. Women are vulnerable and underrepresented, but have been the most faithful in repayment of microcredit loans. Digital markets have opened new possibilities, but due to the digital divide and the lack of infrastructure and resources, more needs to be done to prepare the people. There is a need for more digital markets and digital content. Within ASEAN, internships and mentor-mentee programmes are still relevant. COVID-19 has restricted labour mobility within ASEAN, highlighting greater need to emphasise labour protection at all levels. Common values and solutions within ASEAN can be tapped upon, as ASEAN is different in its cultural and religious appreciation compared to other continents. A review of curriculum on entrepreneurship in education should be conducted across all of ASEAN and shared through the digital platform.

END OF PROCEEDINGS

Full session recordings available on YouTube. Search:

KSI Strategic Institute for Asia Pacific

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