Forging AHEAD!

2019 Report
To ASEAN Leaders

by
ASEAN Business Advisory Council
Thailand Chairmanship
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Message from
His Excellency General Prayut Chan-o-cha (Ret.)
Prime Minister of the Kingdom of Thailand
I am very pleased to extend my congratulations to the ASEAN Business Advisory Council (ASEAN-BAC) on the publication of the 2019 Report to ASEAN Leaders, which provides valuable insights into the role of the ASEAN-BAC, the progress of our ASEAN business communities, and the importance of enhancing cooperation in the ASEAN Community for our shared prosperity.

I am particularly delighted that during Thailand's Chairmanship of ASEAN in 2019, the ASEAN-BAC constructively engaged with the ASEAN Leaders and many other agencies in the ASEAN region to sustain our cooperation as a vital driving force behind the AEC. As well, the ASEAN BAC has worked actively with our business communities to encourage greater synergy and a more resilient business environment in the ASEAN region, which is essential given the many challenges that lie ahead for sustained growth and development in the global economy.

In this regard. I take this opportunity to reaffirm my support for the ASEAN BAC and reiterate our common agenda to work together on the Legacy Projects, ASEAN Human Empowerment and Development, and the Digital Trade Connect to prepare our ASEAN workforce for the challenges of the 4IR and an increasingly competitive global trading and investment environment.

On this occasion, I would also like to thank the ASEAN-BAC and the ASEAN-BAC Thailand Council for its contributions and strong support this past year and look forward to the ASEAN-BAC's continued support for ASEAN in the years ahead. I wish you all every success in your endeavours.

General (Ret.)
(Prayut Chan-o-cha)
Prime Minister of the Kingdom of Thailand
For The ASEAN Leaders:

EXCELLENCIES,

It is with distinct honor and pleasure to present to you our 2019 Final Report to ASEAN Leaders. In summary, the report will highlight:

A. Our Actionable Priority Recommendations and Legacy Projects: Striving for Impact and Relevance
B. Our Socialization of AEC and Legacy Projects: Making AEC Work for Business and Prosperity
C. Our Partnerships: A Coordinated Push at Reforms

Our AEC ship is being tossed away from its trajectory by the rough seas of multi-polar governance, increasing protectionism and unilateralism, deepening sustainability concerns and challenges of the 4th Industrial Revolution. Under this most challenging conditions, ASEAN can only stay even more committed, bold and daring – with a strong and unmistakable voice for World Economic Peace -- in achieving our ultimate goals of economic harmonization and integration to weather the turbulence and stay on course.

ASEAN business and industries, on the other hand, will persevere in doing its share to find opportunities, and maneuver through the maze of risks, not to mention the real and present danger that the 2019 Corona Virus exacts on the global economy, our families and our personal lives. But ASEAN business can only do so much. While we fully recognize the accomplishments of ASEAN to where it is now in driving AEC deeper, we continue to count on our ASEAN Leaders for bold collective leadership to put AEC at the center of Your Excellencies respective national economic agenda and bring us on track to deliver the promise and commitments enshrined in the 2025 AEC Strategic Action Plan.

Thank you.

ARIN JIRA

ASEAN-BAC Chair 2008-2009, 2019
ASEAN BAC Fully Recognizes and Supports Latest ASEAN Achievements

1. Live operation of ASEAN Single Window in 7 countries
2. Endorsement of ATIGA Operational Certification Procedures (OCP) to allow ASEAN Wide Self-Certification (AWSC) Scheme and Certificate of Origin (CO) Form D
3. Signing of the ASEAN Trade in Services Agreement (ATISA)
4. Entry into force of the Protocol to Implement the 10th AFAS Package
5. Signing of the 4th Protocol to Amend the ASEAN Comprehensive Investment Agreement (ACIA)
6. Launching of two innovative financing mechanisms under ASEAN Infrastructure Fund
7. Endorsement of ASEAN Framework on Digital Data Governance
8. Endorsement of ASEAN Regional Cooperation Framework on Competition
9. Full ratification of ASEAN open skies agreements
A. Our Actionable Priority Recommendations and Legacy Projects: Striving for Impact and Relevance
EXECUTIVE SUMMARY

I. On Harnessing the Digital Economy:

We also see the dawn of the digital economy as the seedbed where Access to Finance and Access to Markets platforms are emerging and flourishing. This will be championed by AHEAD in tandem with another ASEAN BAC Legacy Project – AMEN – or the ASEAN Mentorship for Entrepreneurs Network.

By now there is no need to belabor the immense impact and disruption that the Fourth Industrial Revolution bears in the way we do business and the way we live -- both at regional and global levels. Either we embrace it or we get crushed by it. Failure to harness it to our benefit would be disastrous to our AEC aspirations, to say the least.

A. Legacy Project AHEAD (ASEAN Human Empowerment And Development)

In this regard, I am pleased to inform Your Excellencies that your council had set up AHEAD as Thai Chairmanship’s Legacy Project to help drive a comprehensive and sustained agenda of capacitating our peoples, especially the MSMEs and our next generation, towards the digital economy. It has 4 Pillars: 1st Digital Infrastructure, 2nd Digital Connectivity, 3rd Digital Financial Solutions for MSMEs, 4th Digitally Empowered Workforce.

Empowering our biggest and most important resource -- our human resource -- through the strengthening and effective delivery of academic and technical vocational programs, upskilling and reskilling of our labor is our first priority -- which will be pursued vigorously by AHEAD. It will involve close collaboration with partner institutions from the academe, TechVoc institutions, HR practitioners, business and industries, IT specialists, and others from within and outside ASEAN. AHEAD will serve as a platform for synergy, complementation and optimization of software and hardware resources.
AHEAD had spearhead the development of ASEAN Guidelines on Skilled Labor / Professional Services Development Towards 4IR and duly adopted by ASEAN. It also will collaborate and partner with the ASEAN Future Workforce Council and ACCMSME to promote sustainable TVET. We are working closely with CARI (CIMB ASEAN Research Institute) and other leading knowledge partners on the impact of 4IR on labor to address risks of displacements and promote more opportunities thru upskilling ad reskilling.

But we cannot do this alone. We urgently need your leadership and support to push this forward.

**Our Recommendation:**

1. Specifically, AHEAD should be given opportunity to continue participating in consultative working groups covering the development and roll out of the ASEAN Framework on Digital Data Governance and 3rd year implementation of the ASEAN ICT Masterplan 2020.

2. AHEAD and its JBC partners should have closer and more meaningful engagement with the ASEAN Trade Facilitation Joint Coordinating Committee (ATFJCC) to fast track an enabling policy environment – which will cut across various agencies of the public sector – to bring down barriers and help promote and incentivize drivers. It is inevitable, that the power of the digital economy can serve as the catalyst that can bring to bear many of the pending reforms in infrastructure, ease of doing business, trade facilitation, and priority integration sectors like Agriculture, Agri-Food, Transport, Healthcare and Tourism, to name a few.

3. We strongly recommend that ASEAN BAC and its Joint Business Councils partners be actively involved in the formulation of the ASEAN Digital Transformation Master Plan.

4. We therefore ask for Your Excellencies strong official support and endorsement of AHEAD so we could partner effectively with ASEAN – through its various agencies and instrumentalities.
B. Legacy Project Digital Trade Connect

ASEAN BAC fully endorses digital trade connectivity which will translate to exponential growth in trade across ASEAN and other trade partners and significantly support financial inclusion for SMEs. Under the ASEAN Caucus of APEC BAC, subject is likewise being championed by Thailand which has generated considerable positive support.

Our Recommendation:

1. ASEAN BAC together with its partner champions strongly recommend the formation of a Public Private Consultative platforms or specifically the National Digital Trade Platforms (NDTP) and Regional Digital Trade Connectivity (RDTC) working groups to be participated in by concerned government agencies. This can initiate planning and development of standardized and harmonized of trade rules, terminology, and interoperability of national digital trade platforms, and build on the current ASEAN Single Window platform. Furthermore, we request support in the conduct of pilot studies / proof of concepts among and between AMSs and follow the collaboration between Thailand and Singapore.

2. We likewise ask for Your Excellencies strong official support and endorsement of Digital Trade Connect so we could partner effectively with relevant ASEAN bodies in this regard.
II. On the AEC Progress

ASEAN business continue to clamor for the elimination of absurd and protection-driven NTMs and NTBs. 10 years after the launch of ATIGA, there is no sign that NTMs and NTBs are being contained, much less reduced.

Bold targets set by ASEAN to reduce cost of intra-ASEAN trade by 10% by 2020 and to double intra-ASEAN trade from 2014 levels by 2025 are at risk of being achieved. The recently launched NTM Guidelines must therefore be made operative and enforced with resolve and determination.

ASEAN BAC together with our joint business councils are pushing the following:

- We launched together with the EU ASEAN Business Council, entitled “Non-tariff Barriers in ASEAN and their Elimination” which identifies NTBs in agri-food, healthcare and automotive. Business is eager to move from talking mode to action mode to work closely with National Focal Points and National Coordinating Committees on Trade Facilitation on “One NTB at a Time” approach if only to provide concrete action in addressing NTBs starting with said 3 sectors.

- We continue to stress the importance of a strengthened Coordinating Committee on ATIGA to be composed of officials from Trade Ministries appointed to work full time on identifying and eliminating absurd NTMs and NTBs and empowered to coordinate across concerned agencies of government and through ASEAN.
II. On the AEC Progress

- We continue to push for the Low Value Shipments Program (LVSP) across ASEAN to provide green lanes for legitimate MSMEs. We’re happy that the Philippines, Indonesia and Thailand have already initiated a similar program. We are pursuing a Pathfinder approach to work closely with willing AMSs to introduce or deepen their respective LVSP.

- We are working closely with ASEC to update our “JBC Matrix of Recommendations” for purposes of further shortlisting our key priority recommendations to allow AMSs to better respond and process them. On top of continuing drill down on NTM/NTB Elimination and LVSP, we resubmit the following priorities (see slide) for appropriate consultation and processing.

- We are preparing the ground work towards an ASEAN Seamless Digital Trade Connectivity platform (or Digital Trade Connect legacy project of Thailand Chairmanship). This exciting venture would entail the formation public-private working groups at national and regional levels to initiate planning and development of harmonized trade rules and inter-operability of national digital trade platforms.

- We are making progress in building smart cities “without growing pains” under our SGConnect Legacy Project. Hanoi is keen to work with us in showcasing China Asean Connectivity. We however urge Your Excellencies to help push your administration to help us kick start our projects for Manila, Bangkok, KL, SG, Yangon.

We are prepared to work closely with ASEAN in these strategic fronts. But we need Your Excellencies official endorsement and support of the above and other initiatives in our Report.
III. On the Unfolding Trade War and Geopolitics

On the unfolding Trade War between China and the US, we fully support the Leaders Statement reaffirming their belief in regionalism and multilateralism as key principles and frameworks of cooperation, which promotes inclusiveness, rules-based nature and emphasis on mutual benefit and respect.

ASEAN should not be lulled into a false complacency by some short term benefits from investment relocation. If free trade is threatened, exports from the new locations would also become targets. Already, some AMS have been identified as “currency manipulators” - meaning they had better watch out!

ASEAN should take a common stand against any form of trade bullying and coercion. It is not a matter of taking the side of any superpower. ASEAN should call for WORLD ECONOMIC PEACE. We need to urge the two economic superpowers to find common ground. China must open up its markets further and afford greater investor, particularly intellectual property, protection.

Indonesia is a member of G-20. ASEAN was first granted observer status at the London G-20 summit in 2009. Singapore has often been invited to attend as a representative of the Global Governance Group (an informal grouping of small and medium countries). ASEAN has a voice.

Thus, apart from ASEAN taking a position of an open, rules-based trading system at this present summit in Bangkok, ASEAN should take a common stand on the trade war and even offer its good offices to help the U.S. and China come to an agreement at the Osaka G-20 Summit on 28-29 June. Make ASEAN presence in Osaka and in all relevant multilateral platforms count.

Hence, ASEAN BAC reiterates the need to have synergy and alignment between BRI and MPAC2025, as declared in the ASEAN-China Strategic Partnership Vision 2030 in November last year.
B. Socializing AEC and Legacy Projects: Making AEC Work for Business and Prosperity
Overall Theme of Thailand’s 2019 ASEAN Chairmanship

- **Human Empowerment & Development**
  - Enhance capability of human capital through introduction of skilled labors and new technologies

- **Regional Digital Trade Connectivity**
  - Transform the end-to-end current practices and processes related to B2B international trade transactions from paper to digital

## ASEAN LEGACY PROJECTS CENTRED AROUND CONNECTIVITY

- **AFIS (ASEAN Financial Inclusion Solutions)**
  - Technology-driven MSME Access to Finance Ecosystem

- **LaosConnect**
  - ASEAN Multimodal Trans-shipment Hub

- **MaritimeConnect**
  - RO-RO network to reduce shipping time

- **AMEN**
  - ASEAN Mentorship for Entrepreneurs Network

- **SGConnect™**
  - SmartGrowth Connect
  - AHEAD
  - ASEAN Human Empowerment and Development

- **Digital Trade Connect**
  - ASEAN Regional Digital Trade Transformation

- **LaosConnect**
  - 2015

- **2016**

- **2017**

- **2018**

- **2019**

- **AHEAD**
  - ASEAN Human Empowerment and Development
AHEAD
ASEAN Human Empowerment and Development
Legacy Project of Thailand

ASEAN Human Empowerment And Development (AHEAD)
EMPOWERING ASEAN 4.0:  
Implications of Industry 4.0 for Skills Development Strategies of Business and Industry  
On 20 March 2019, Bangkok

• ASEAN-BAC with support from the German government's RECOTVET programme is organizing a 1-day symposium, titled “Empowering ASEAN 4.0: Implications of Industry 4.0 for skills development strategies of business and industry”
• The symposium organized on 20 March 2019 in Bangkok, Thailand,
The symposium on “ASEAN Human Empowerment and Development”, collaborated with Ministry of Commerce of Thailand,

It’s aimed to serve as a forum to address opportunities and challenges of the 4IR toward human capital within ASEAN and to provide a dialogue platform for the stakeholders to share experiences and brainstorm on human empowerment development to embrace 4IR.

The outcome of the symposium will be incorporated into the guidelines on skilled workforce and/or professional services development in response to the 4IR, and for the subsequent submissions to the ASEAN Economic Ministers and the ASEAN Leaders.
The Guideline is one of Priority Economic Deliverables under Thailand’s Chairmanship of ASEAN submitted to the 51st ASEAN Economic Ministers’ (AEM) Meeting on September 6, 2019.

The Ministers welcomed the active support of the ASEAN Business Advisory Council (ASEAN-BAC) in developing human capital in ASEAN to embrace the Fourth Industrial Revolution (4IR) through its legacy project entitled “ASEAN Human Empowerment and Development” (AHEAD).

The Ministers also appreciated the public-private effort between ASEAN BAC and the Ministry of Commerce of Thailand to develop the Guideline on Skilled Labour/Professional Services Development in Response to The Fourth Industrial Revolution (4IR) as part of Thailand’s ASEAN Chairmanship Priority Economic Deliverables.’
AHEAD
ASEAN Human Empowerment and Development
Legacy Project of Thailand

Next Steps:

• Establishing Working Group
• Asking ASEAN Chair 2020, Vietnam, to support ‘Skilled Labors/ Professional Services Development in Response to the Fourth Industrial Revolution (4IR)’ and carry on ‘AHEAD project.’
Digital Trade Connectivity

TODAY’S TRADE PROCESSES ARE Fraught WITH MANY CHALLENGES

Cambersome paperwork and processes affecting many stakeholders across the entire trade value chain

- **Premise:**
  - The trade ecosystem with end-to-end processes is still not digitalized.
  - How to streamline international trade involving:
    - 25 parties at least
    - 30 to 40 trade documents generated and
    - 60 to 70% of information manually re-entered at least once

- **The Challenge:**
  - Reduce transaction costs and improve efficiency, speed, and reliability of International trade and supply chain.
  - Reduce occasions of fraud and double financings.
  - Support data analytic through “Big Data”.
  - Increase potential trade finance and SME Access to Finance.
  - Improve Ease of Doing Business Rating.
  - Align with APFF Workstream on “Digitalization of Trade and Supply Chain Finance” and “Next Generation Initiatives for MSME Finance”.

**Bottom line:**
Increase “TRUST” through digital transactions
Building up the ecosystem that support the Regional Digital Trade Connectivity

Each economy should move toward digitalized trade transactions on an end-to-end process.
RDTC
Regional Digital Trade Connectivity
Legacy Project of Thailand

Financial Inclusion Driven by Digitalization Trade and Supply chain
Next Generation Credit Information
On 17 – 18 June 2019, Bangkok
AMEN
ASEAN Mentorship for Entrepreneurs Network

Updates on AMEN:
- The AMEN Project Phase 1 Completion Report has been forwarded by the AMEN Project Management Office (PMO) to the ASEAN Secretariat on 23 December 2019 and will be submitted to the Japan ASEAN Integration Fund (JAIF).
  (Note: The ASEAN Secretariat is due to submit to JAIF the final report together with the original supporting documents in the 3rd week of February.)
- After securing JAIF’s approval and final comments (if any) on the AMEN Project Phase 1 Completion Report, the ASEAN-BAC is due to submit to the ASEAN Secretariat the proposal for the AMEN Project Phase 2, which is, again, to be officially endorsed by the ASEAN Coordinating Committee on MSMEs (ACCMSME) to JAIF.

Recommendations:
- The ASEAN-BAC members should push for the PPP (that is, on a per-country basis) that will help achieve the sustainable implementation of the AMEN Project. While official PPPs are in place for AMEN in the Philippines and Brunei, we look forward to establishing the same in the rest of the AMS. The ASEAN-BAC members should take an active part in identifying the specific private sector bodies and the concerned government agencies to forge the PPP for AMEN in their respective countries.
AMEN
ASEAN Mentorship for Entrepreneurs Network
Legacy Project of Philippines

[AMEN] Regional Discussion on the ASEAN Mentorship for MSEs and Mentors Training Framework | May 3, 2019 | Dusit Thani Hotel, Makati, Philippines
Scoping and Preparation of Modular Curriculum for Micro-and Small Entrepreneurs (MSEs) and the Mentors Training Framework
AMEN
ASEAN Mentorship for Entrepreneurs Network
Legacy Project of Philippines

[AMEN] PILOT RUNS OF ASEAN MENTORSHIP (Scoping and Preparation of Modular Curriculum for Micro-and Small Entrepreneurs (MSEs) and the Mentors Training Framework)
Sept 27, 2019 | Diamond Hotel, Roxas Blvd, Manila, Philippines
ASEAN Mentorship Entrepreneurs Network (AMEN)
Pilot Run of Mentorship: Malaysia
20th August 2019 Kuala Lumpur, Malaysia
AMEN
ASEAN Mentorship for Entrepreneurs Network
*Legacy Project of Philippines*

**AMEN Pilot Run**
12 September 2019, Jakarta, Indonesia
AMEN Pilot Run in Cambodia
25th October 2019,
Phnom Penh, Cambodia
SGConnect™
Growing Cities Without Growing Pains

It aims to pilot Smart Growth Centres in each ASEAN state, each centre with varying sophistication of technologies and human capital intensity but similar in resource productivity and efficiency to serve the local population.

An ecosystem that encompasses state-of-the-art logistics facilities combined with forward looking innovative solutions, and a training academy for a well-equipped workforce to face the future of tomorrow.
“... a joint venture with T&T Group of Vietnam to develop an international logistics center and an inland port. To create a connection point for the circulation of commodity supply chain between Vietnam and ASEAN, and regional and international markets. Apart from providing the most modern logistics services, the center will organise training programmes in logistics...”
SGConnect™
Smart Growth Connect
Legacy Project of Singapore

VIETNAM SUPERPORT™
WORLD’S FIRST
HANOI
85.5HA
VISION & MISSION

VISION

• Promoting seamless Fintech Solutions in ASEAN (cross-border/in country)
• Providing financial inclusion to the unbanked and underserved business segments in ASEAN

MISSION

AFIS is a platform that brings together
• (1) Fintech Solutions that leverage on the power of Fintech to enable cross border or in country financial services that provide financial inclusion to both (i) retail customers and (ii) corporate customers in ASEAN
• (2) Relevant stakeholders (banks, fintech players, regulators) in ASEAN to form collaborative partnership across ASEAN towards providing effective policy recommendations that promotes the Vision of AFIS
AFIS is a platform that brings together Fintech Solutions that leverage on the power of Fintech to enable cross border or in-country financial services that provide financial inclusion to both (1) retail customers and (2) corporate clients in ASEAN.
MISSION 1: AFIS AIMS TO BRING TOGETHER INCLUSIVE FINTECH SOLUTIONS FOR RETAIL CUSTOMERS AND CORPORATE CLIENTS (2/3)
MISSION 1: AFIS AIMS TO BRING TOGETHER INCLUSIVE FINTECH SOLUTIONS FOR RETAIL CUSTOMERS AND CORPORATE CLIENTS (3/3)
AFIS
ASEAN Financial Inclusion Solutions
*Legacy Project of Malaysia*

**MISSION 2: AFIS AIMS TO BRING TOGETHER RELEVANT STAKEHOLDERS TO PROVIDE EFFECTIVE POLICY RECOMMENDATIONS**

- **Banks**
- **Regulators**
- **Fintech co.**
- **ASEAN Fin. Ministers**
- **Financial Service & Capital Markets Expert Group (FSCM-EG)**

Bringing all relevant stakeholders in ASEAN onto a common platform to form collaborative partnership across ASEAN to achieve seamless cross-border financial services and financial inclusion to the unbanked and underserved business segments in ASEAN by 2025.
ASEAN-BAC Activities 2019

Socializing AEC and Creating Excitement for Business Throughout ASEAN
ASEAN Leaders Interface with ASEAN-BAC
On 22 June 2019, Bangkok

10 Action Points Recommendations
to the ASEAN LEADERS
on the occasion of the ASEAN Leaders Retreat

by the
ASEAN Business Advisory Council,
Bangkok Thailand, June 22, 2019
ASEAN Leaders Interface with ASEAN-BAC
On 22 June 2019, Bangkok
ASEAN Business Advisory Council - ASEAN Finance Ministers and Central Bank Governors’ Luncheon
On 4 April 2019, Chiangrai, Thailand
EMPOWERING ASEAN 4.0

Be a part of business opportunity showcase, generating greater awareness on the impact of the emergence of 4th Industrial Revolution in various dimensions of digital infrastructure, digital connectivity, digital workforce, and digital MSMEs.

2-3 November 2019
08:00 - 18:00 hrs.
Hall 6, IMPACT Exhibition Center
Bangkok, Thailand
ASEAN Business and Investment Summit 2019
2-3 November 2019, Bangkok, Thailand
ASEAN Business and Investment Summit 2019
2-3 November 2019, Bangkok, Thailand
ASEAN BUSINESS AWARDS 2019

An encouraging forum for ASEAN business community aimed at showcasing outstanding and successful ASEAN companies contributing to ASEAN's economic growth and prosperity, as well as recognizing ASEAN SMEs with the potential to be global players.

2 November 2019 18:30 - 22:00 hrs.
Hall 6, IMPACT Exhibition Center, Bangkok, Thailand
ASEAN Business Awards 2019 – Gala Night
2 November 2019, Bangkok, Thailand
ASEAN-BAC Handover Ceremony
21 January 2019, Bangkok, Thailand

Thailand
The conference is designed to draw practical, do-able and sustainable solutions from public and private experts and thought leaders who will grace our panel discussions focusing on the importance and to address the need for development of efficient and effective digital infrastructure across ASEAN member states.

The panel will drill down and discuss obstacles, and barriers and challenges confronting ASEAN countries in capacitating and empowering its enormous human capital in order to become more digital literate and what solutions can be offered to those who are lagging behind that would also narrow the development gap among ASEAN member states.
On 22 January 2019, Bangkok

Empowering ASEAN 4.0

The kick-off Seminar highlights the issues that we are focusing on throughout the year 2019 when Thailand assumes the Chairmanship role for Association of Southeast Asian Nations (ASEAN). This seminar is of the same name as the theme of the Private Sector “Empowering ASEAN 4.0”, which implies the ways forward for our economy to pursue and become ready for the transformation to the digital era.

Digital economy has an impact on all aspects of society such as the way people interact, technologies involved, and skills required. All in all, it affects every aspect of the economic landscape.

To foster the development of key enablers, the seminar on Empowering ASEAN 4.0 will illustrate the paths to follow, the changes to make, the challenges to face and the transformation to sustain.
The conference was divided into 2 panel discussions. The first session is Global Economic Trend: Implication for ASEAN. This session is about Global perspective towards the ASEAN Economy. The second session revolves around Regional Economic Outlook: Challenges and Opportunities for ASEAN to integrate into or surpass the Global economic trend and beyond.

The questions are: how would global trend impact business opportunities in ASEAN? How can ASEAN countries work better together in this disruptive digital era to strengthen ASEAN’s economy? How will ASEAN member states cooperate to promote innovation, build up digital connectivity, and facilitate e-commerce, in order to benefit MSMEs business?
ASEAN Women’s Business Conference & Award Ceremony: Globalization 4.0 and Beyond: Advancing Women Economic Empowerment Through Action and Impact
On 19 – 22 June 2019 Bangkok, Thailand
ASEAN Tourism 2019: Advancing Partnership for Sustainability on 20 June 2019, Bangkok
The Symposium on “ASEAN Industrial Transformation to Industry 4.0”
On 20 June 2019, Bangkok
2019 ASEAN COMMUNITY LEADERSHIP AND PARTNERSHIP FORUM
“Building Partnerships for a Sustainable and Inclusive ASEAN”
On 23 - 24 June 2019, Bangkok
22nd ASEAN Banking Conference and the Permanent Committee on Corporation in Finance, Investment, Trade and Technology
24-27 November 2019, Phnom Penh, Cambodia
Thailand

CLMVT Forum 2019
24 June 2019, Bangkok, Thailand
YB Yanty Rahman, ASEAN-BAC Brunei Chair as Panelist in the World Islamic Economic Forum 28-31 October 2019, Dhaka, Bangladesh
The 49th General Assembly of the AIPA
25th-30th August 2019, Bangkok, Thailand

Brunei Darussalam
ASEAN BAC Forges Partnership with ASEAN Future Workforce Council to Promote Sustainable TVET
24-25th June 2019, Bangkok, Thailand
Brunei Darussalam

ASEAN Parliamentarians Study Visit to Australia
20-28th November 2019, Sydney, Australia

CAFEO 37 ASEAN Engineers as the Beacon of Sustainable Development
11th - 14th September 2019, Jakarta, Indonesia
Launching of AMEN in Cambodia
23rd November 2019, Phnom Penh, Cambodia
1st Roundtable Discussion on Private Sector Role in the implementation of AEC Blueprint 2025
19 August 2019, Jakarta, Indonesia

2nd Roundtable Discussion on Private Sector Role in the implementation of AEC Blueprint 2025
5 December 2019, Jakarta, Indonesia
ABA Laos Dinner 2019
4 October 2019, Vientiane Capital, Laos
Press Conference Lao Food Festival 2019
24 December 2019, Vientiane, Laos

Made in Laos 2019 EXPO
20-28 July 2019, Vientiane, Laos
Lao-Japan cooperation 2019
10 Sept 2019, Vientiane, Laos

China-ASEAN business networking 2019
MOU signing between China-ASEAN Business Council & LNCCI in Beijing, China

Lao-Japan cooperation 2019 MOU Signing Ceremony between LNCCI & Kawasaki Chamber of Commerce

MOU ceremony Mekong-ROK Business Council 2019 in Korea
Empowering ASEAN 4.0 Smart Showcase Series 2019 Future of Fintech in ASEAN
15 August 2019, Kuala Lumpur, Malaysia
Future SME Conference 2019 Smart Showcase Series: ASEAN SMEs 4.0
15 October 2019 Putrajaya, Malaysia
ASEAN Health Summit & Exhibition 2019
20\textsuperscript{th} – 21\textsuperscript{st} November 2019 Kuala Lumpur, Malaysia
Coordination meeting with Union Minister of Ministry of Investment and Foreign Economic Relations
Yangon, 26th September 2019
Youth Entrepreneurship Summit (YES 2019)
March 8, 2019 | World Trade Center, Manila, Philippines

The one-day summit aimed to inspire the youth by presenting entrepreneurship stories and models on maximizing technology and digital tools to leverage their businesses.
Tourism Summit 2019
2 May 2019, Manila, Philippines
Philippines

Digital Alliance
23 September 2019, Manila, Philippines
2nd ASEAN Inclusive Business Summit
1 November 2019, Manila, Philippines
ABA Send Off Gala
17 Oct 2019, Manila, Philippines
The event, held as part of the 45th Philippine Business Conference and Expo hosted by the Philippine Chamber of Commerce and Industry, recognized the winners and finalists of the ASEAN Business Awards.
Philippines – India Business Conclave and 4th ASEAN India Business Summit
19 October 2019, Manila, Philippines
Digitize ASEAN
30th September 2019, Singapore
C. Our Partnerships: A Coordinated Push at Reforms
2nd Innovation-WG and the Policy Recommendations

- Date: 10:00-12:00, March 28, 2019
- Venue: JETRO Headquarter (Tokyo, Japan)

HRD for 4IR

- Identification of HRD bottleneck in ASEAN
- Establishing institutional mechanism to support ASEAN initiative

Tackling Social Challenges

- Encouraging Participation of all AMSs to WTO negotiation
- Establishing cross-sector dialogue mechanism to deepen business engagement on ASEAN frameworks formation
- Encouraging ASEAN cities to join the data system interconnectivity discussion
- Development of “business-oriented” smart cities development framework
3rd AEC Dialogue with Private Sector
3 October 2019, Jakarta, Indonesia

Courtesy Call with the DSG Michael Tene
4 October 2019, Jakarta, Indonesia
4th Symposium on ASW: Way Forward
25 June 2019, Bangkok, Thailand

ATF-JCC Dialogue with ASEAN-BAC & JBC
12 January 2019, Bangkok, Thailand
ACCEC Dialogue with ASEAN BAC and JBC
15 July 2019, Bangkok, Thailand
3rd ARISE Plus Roundtable Discussion on Trade Facilitation
Notification of NTMs by AMSs and Consultations with Private Sector:
Is ASEAN Starting to Implement the NTMs Guidelines?
On 9 July 2019, Bangkok
ASEAN-Japan Forum “Towards 4th Industrial Revolution”
27 March 2019, Tokyo, Japan
On Site Visit to Leave a Nest
29 March 2019, Tokyo, Japan
EMPOWERING ASEAN 4.0:
Implications of Industry 4.0 for Skills Development Strategies of Business and Industry
On 20 March 2019, Bangkok
ASEAN-UK Business Reception
1 Nov 2019, Bangkok, Thailand
The UKABC and ASEAN-BAC signed a Letter of Intent on ASEAN Regional Digital Trade Transformation
1 Nov 2019, Bangkok, Thailand
Symposium on Single Window Looks to Future Expansion and Enhancing Trade Efficiency in ASEAN
On 24 June 2019, Bangkok
ASEAN-India Business Council members meeting with Shri Piyush Goyal, Hon’ble Minister of Commerce & Industry and Railways, Government of India - AEM-India Consulting, August 2018 – September 2019
Dr. Robert Yap
ASEAN-BAC Chair 2018 and 2007
Executive Chairman, YCH Group

Arin Jira
ASEAN-BAC Chair 2008-2009, 2019
Chairman, Map Ta Phut Industrial Gases Co., Ltd.

Dr. Doan Duy Khuong
ASEAN-BAC Chair 2010, 2020
Vice President, Vietnam Chamber of Commerce and Industry
Brunei Darussalam

Siti Rozaimeryanti DSLJ
HJ Abd Rahman
Director cum Principal Architect of Eco BumiArkitek

Haslina Taib
CEO, Dynamik Technologies Sdn Bhd

Musa Adnin
Managing Director, Adinin Group

Cambodia

Neak Oknha Kith Meng
ASEAN-BAC Chair 2012
Chairman, Royal Group of Companies
President, Cambodia Chamber of Commerce

Oknha Van Souieng
Chairman, Garment Manufacturers Association in Cambodia (GMAC)

Oknha Sok Piseth
CEO, G Gear Co., Ltd
Vice-President, Cambodia Chamber of Commerce
Indonesia

Bernardino Moningka Vega  
CEO, PT Pembangkit Mandiri

Adrian Gunadi  
Co-Founder & CEO, PT Investree Radhika Jaya

Maspiyono  
Regional Managing Director, PT Mayora Indah Tbk

Lao PDR

Thanongsinh Kanlagna  
CEO, Datacom  
President, Lao ICT Commerce Association (LICA)

Chantachone Vongsay  
President, Lao Business Association  
Vice-President, K&C Group

Oudet Souvannavong  
ASEAN-BAC Chair 2004, 2016  
President, Lao National Chamber Of Commerce and Industry (LNCCI)
Malaysia

Tan Sri Dato’ Dr. Mohd Munir Abdul Majid
ASEAN-BAC Chair 2015
Chairman, Bank Muamalat Malaysia Berhad

Raja Singham
Founder, BAC Education Group

Myanmar

U Zaw Min Win
President, Republic of The Union of Myanmar Federation of Chambers of Commerce and industry

Moe Kyaw
Founder and Chairman, Myanmar Marketing Research and Development Co., Ltd.

Thaung Tin
Vice-President, Republic of The Union of Myanmar Federation of Chambers of Commerce and industry
**Philippines**

**Jose Ma. A Concepcion III**  
ASEAN-BAC Chair 2017  
Philippine Presidential Advisor for Entrepreneurship,  
Founder, Go Negosyo,  
President and CEO, RFM Corporation

**George Barcelon**  
Chairman, Philippine Chamber of Commerce & Industry

**Michael Tan**  
President, LT Group

**Singapore**

**Dato Seri’ Dr. Douglas Foo**  
President, Singapore Manufacturing Federation  
Chairman, Sakae Holdings Ltd

**Rachel Eng**  
Managing Director, Eng and Co. LLC
Thailand

Phairush Burapachaisri
Chairman and CEO, Pin Siam Co., Ltd

Kobsak Duangdee
Secretary General, Thai Bankers’ Association

Vietnam

Nguyen Thi Nga
Chairman, Southeast Asia Joint Stock Commercial Bank

Pham Dinh Doan
Chairman, Phu Thai Group
Annex
## Joint Business Councils (JBCs) Recommendations on Trade Facilitation

### Top Priorities in the Immediate Term

<table>
<thead>
<tr>
<th>Issues</th>
<th>Status/Follow Up</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Transfer Pricing:</strong></td>
<td>ASEC suggested to convene a workshop to address these issues</td>
</tr>
<tr>
<td>a. Expand the use of customs valuation advance rulings where one ruling issued in a country is recognized in another</td>
<td>ASEC suggested to convene a workshop to address these issues</td>
</tr>
<tr>
<td>b. Adopt a harmonized system for voluntary disclosure of the submitted customs valuations</td>
<td>ASEC suggested to convene a workshop to address these issues</td>
</tr>
<tr>
<td>c. Improve information exchange between customs and tax authorities</td>
<td>ASEC suggested to convene a workshop to address these issues</td>
</tr>
<tr>
<td><strong>2. Advance Rulings:</strong> Urge Indonesia, Malaysia and Myanmar to implement advance rulings for Rules of Origin</td>
<td>ASEC suggested that JBCs engage with MOFs in ID, MY and MM</td>
</tr>
<tr>
<td><strong>3. ASEAN-wide Self Certification (AWSC) System:</strong> Encourage the full operationalization of AWSC with a harmonized management across all AMS</td>
<td>Target for full implementation in March 2020. ASEAN may explore with donors to publish AWSC guidance, user manuals or brochures</td>
</tr>
<tr>
<td><strong>4. Certification of Origin:</strong> Waive the COO for goods below a certain threshold, with the current USD20 threshold be raised to a mutually agreed level across ASEAN</td>
<td>Will be discussed as part of the ATIGA General Review</td>
</tr>
<tr>
<td><strong>5. Customs Automation:</strong></td>
<td>Different national capacity may hinder this integration process</td>
</tr>
<tr>
<td>a. Integration of online documentation system under the ASEAN Single Window scheme to manage tracking and transparency of customs declaration and expedite clearance</td>
<td>ASEC suggested that JBCs prepare an information paper on the benefits and best practices of customs automation for the CPTFWG’s consideration</td>
</tr>
<tr>
<td>b. Engage private sector in the exchange of e-Phyto certificate and ASEAN Customs Declaration Document (ACDD)</td>
<td>Different national capacity may hinder this integration process</td>
</tr>
<tr>
<td>c. Promote discussion on customs automation in other customs-related sectoral bodies</td>
<td>ASEC suggested that JBCs prepare an information paper on the benefits and best practices of customs automation for the CPTFWG’s consideration</td>
</tr>
<tr>
<td><strong>6. Authorized Economic Operator and Mutual Recognition Agreement:</strong> Monitor the progress of work of the Sub-Working Group on ASEAN AEO-MRA on pathfinder approach which commences in 2020</td>
<td>ASEC suggested JBCs to consider preparing a non-paper on a related concerns/interests</td>
</tr>
<tr>
<td><strong>2. Advance Rulings:</strong> Urge Indonesia, Malaysia and Myanmar to implement advance rulings for Rules of Origin</td>
<td>ASEC suggested that JBCs engage with MOFs in ID, MY and MM</td>
</tr>
</tbody>
</table>

### On-going Core Priorities that JBCs Monitor

1. **ASEAN Low-Value Shipment Program:** Current priority is to seek ATF-JCC’s support and endorsement on the Pathfinder Program, while continue promoting the use of online payment for taxes and duties; and encouraging cross-sectoral coordination involving those beyond customs authorities, among other initiatives to implement the ALVSP

2. **Removal of NTBs and Streamlining of NTM:** Continue to improve transparency through the Matrix of Actual Cases on NTMs/Trade Barriers; fully implement the NTMs Guidelines; and operationalize the e-platform for private sector
ASEAN Trade Facilitation - Joint Consultative Meeting
Private Sector Consultation
January 2020
Hanoi, Vietnam
Agenda

- Review of ASEAN Actions on Trade Facilitation
- NTB Study – Workshop
- Trade Facilitation Measures in ASEAN:
  - NTM Guidelines
  - ASEAN Seamless Trade Facilitation Indicators
  - JBC Matrix of Recommendations
  - Conformity & Standards: Work of ACCSQ
    - APWG
    - PFPWG
    - PPWG
- ASEAN Low Value Shipment Programme
Update on Trade Facilitation Activity by ASEAN

ASEAN Targets
- 10% Reduction in the cost Trade Transaction by 2020
- Doubling of intra-ASEAN Trade by 2025

Progress?
- Targets likely to be missed without radical action
- Intra-ASEAN Trade stagnant as a percentage of total trade
- NTMs and NTBs continue to increase in number
- 10% Cost Reduction Target will likely be missed
- Market access restrictions continue to prevail

<table>
<thead>
<tr>
<th>Measures</th>
<th>2000</th>
<th>2008</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average tariff (effectively applied rate)</td>
<td>&gt;8%</td>
<td>&gt;7%</td>
<td>&gt;4%</td>
<td>≥0%</td>
</tr>
<tr>
<td>Number of non-tariff measures (UNCTAD TRAINS)</td>
<td>&lt;2,000</td>
<td>~3,500</td>
<td>~6,000</td>
<td>&gt;9,500</td>
</tr>
</tbody>
</table>

Intra-ASEAN Trade vs ASEAN Global Trade
Source: https://data.aseanstats.org/trade-annually (extracted 23/12/19)
NTB Study

- Report by Asian Trade Centre published on 22 June.
- Commissioned by ASEAN BAC and EU-ABC
- Highlights issue of rising NTMs/NTBs in ASEAN
- Series of recommendations to tackle the issue
Tackling Non-Tariff Issues in ASEAN

- ASEAN has steadily eliminated tariff barriers for intra-ASEAN trade
- But, more limited progress in tackling non-tariff issues
- Project designed to see how businesses in region view situation
- Examples of Non-Tariff Measures (NTMs)
- Differences between NTMs and Non-Tariff Barriers (NTBs)
- Three sectors examined:
  - Automotive
  - Agri-food (biscuits, seafood and alcoholic drinks)
  - Health (pharmaceuticals and medical devices)
Tackling Non-Tariff Issues in ASEAN

➢ Bottom Line: More Needs to be Done

• Businesses in every area examined struggling with obstacles
• Large and small firms—foreign and domestic
• Impossible to qualify impact, but many likely to be substantial
• What now?
  – Strengthen existing mechanisms
    • ASEAN already has existing institutional platforms that could be better managed, utilized
  – But these alone are insufficient
    • Necessary to get serious about addressing non-tariff challenges
    • Increasingly hampering ASEAN’s ability to compete
Benefits from Addressing NTMs and NTBs

- At a time of growing economic turbulence, ASEAN needs to show leadership
- Despite years of rhetoric around non-tariff issues, not much actual progress
- After successfully tackling tariffs, now ASEAN must move to eliminating NTBs and reducing NTMs
- Effective use of institutional mechanisms at ASEAN level will help
- Depends on ASEAN member state enthusiasm
- Cooperation with the business community also key to success
NTB Workshop Proposal

- Workshop requested by ATF-JCC at July 2019 Meeting
- Proposal to hold workshop on 22 January 2020 in Bangkok alongside ARISE+ Workshop on Private Sector Consultation
- Workshop to cover:
  - Methodology of report
  - Key findings of report
  - Existing ASEAN work on NTB removal
  - Discussion on report recommendations and a way ahead to accelerate NTB elimination in line with AEC commitments
- Seek ATF-JCC guidance on the workshop
Joint Business Councils would welcome updates from ATF-JCC on:

- Implementation of the NTM Guidelines – Status and Update
- Progress on development of ASEAN Seamless Trade Facilitation Indicators and associated Time Release Study – Key element for ASEAN to measure progress on 10% reduction in cost of trade transaction:
  - Private Sector not been consulted since a CCC meeting in Bandung in April 2018
- Discussion on way forward with the JBC matrix of recommendations:
  - Matrix includes recommendations from ASEAN BAC; USABC; EU-ABC; AustCham ASEAN; FJCCIA; UKABC.
  - Matrix is 30 pages long and contains around 98 recommendations linked to trade facilitation
  - Suggestion is that JBC and ATF-JCC systematically work through the recommendations at a special session to see where progress can be usefully made
Joint Business Councils would welcome updates from ATF-JCC on:

- ✔ Work of ACCSQ and its sub-groups on developing ASEAN-wide standards:
  - ✔ APWG:
    - ✔ Signature on MRA for Type Approval?
    - ✔ USABC & EU-ABC have been supporting workshops on standards. USABC in Bohol, Philippines in Nov 19, EU-ABC in Mar 20 in Singapore
  - ✔ PFPWG:
    - ✔ What progress on labelling standards?
  - ✔ PPWG:
    - ✔ Focus of work? Progress on standardised approach for new medicine approvals?
- ✔ Update on work and TOR for new Digital Standards Working Group
ASEAN Low Value Shipment Programme (ALVSP) – Key Objectives

✓ Reduces the cost of trade processing
✓ Encourages MSMEs to be integrated into the ASEAN market
✓ Facilitates e-commerce & intra-ASEAN trade
✓ Aligns with WCO Framework of Standards Standard 5 (Simplified Clearance Procedures)
OECD Report on Trade Facilitation in ASEAN (July 2015) examined current state of play on a number of criteria

Key ones for ALVSP are:

- Formalities – Procedures
- Formalities – Document

ALVSP would help move the graph closer to 2.0

ASEAN a long way from highest ranking

Source: OECD Trade Facilitation Indicators: moving ASEAN Forward – July 2015
OECD report found that full implementation of TFA would reduce trade costs for ASEAN countries by 16.9% on average.

More specifically OECD found that “streamlining of procedures” could reduce trade costs by 3.8% and “Simplification and harmonisation of trade documents” could reduce trade costs by 3%.

As ALVSP would deal with this issues for low value shipments, where MSMEs are likely to be the prime beneficiaries, is could be argued that adoption would go a long way to helping ASEAN achieve its target of a 10% reduction in the cost of trade transaction by the end of 2020.

Source: OECD Trade Facilitation Indicators: moving ASEAN Forward – July 2015
Proposed and being considered by the ATF-JCC

US-ABC collaborating with ASEAN-USAID IGNITE on a study examining how to expedite low value shipments (LVS). Study will establish a baseline of knowledge on key issues and best practices in clearance of cross-border e-commerce LVS goods.

ASEAN Finance Ministers & Central Bank Governors Meeting: suggestion to develop pilot programme amongst some ASEAN member states

Customs DGs noted the progress on the ALVSP being discussed at the ATF-JCC

CPTFWG moving ahead with establishment of a pathfinder programme involving selected ASEAN Member States as a proof of concept.

Propose that the ATF-JCC consider how to ensure other ASEAN sectoral bodies look into its possible implementation so that a coordinated approach is ensured.

Propose that ATF-JCC formally endorse the pathfinder programme and recommend support for it to the AEM via SEOM
ASEAN Low Value Shipment Programme: Additional Information/Aide-Memoire
### ALVSP – Key Features
(and applicable ASEAN Bodies)

<table>
<thead>
<tr>
<th>Feature</th>
<th>Apply To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common ASEAN Wide Low Value Dutiable Category</td>
<td>Trade</td>
</tr>
<tr>
<td>Common ASEAN Wide Threshold Below SDR 1000</td>
<td>Trade, Finance</td>
</tr>
<tr>
<td>Applies to Intra-ASEAN Trade ATIGA duty rates and domestic charges apply</td>
<td>Trade, Finance</td>
</tr>
<tr>
<td>Simplified Customs Clearance Procedures (Data elements, Consolidated Declarations, Pre-Arrival)</td>
<td>Customs</td>
</tr>
<tr>
<td>Increase Threshold to Waive Form D (SDR1000)</td>
<td>Trade, Finance</td>
</tr>
<tr>
<td>Exemption from Import Licenses</td>
<td>Trade, OGAs</td>
</tr>
<tr>
<td>Account Based or Periodic Payment of Duties</td>
<td>Finance</td>
</tr>
<tr>
<td>Simplified Procedures for Duty Refunds for Re-exports</td>
<td>Finance</td>
</tr>
</tbody>
</table>
Introducing an ASEAN-Wide Low Value Shipment Program

Currently, shipments imported into an ASEAN country are cleared based on the following categories depending on their value:

<table>
<thead>
<tr>
<th>Deminimis</th>
<th>Low Value Dutiable</th>
<th>High Value</th>
</tr>
</thead>
</table>
| • Duty and tax exempt
• Simplified clearance
• Expedited clearance | • Duty/tax
• Simplified clearance only
• Not ASEAN Wide | • Full clearance requirements – data elements, paperwork, declarations
• ATIGA shipments cleared through this channel
• Duty and Tax payable
• Other official charges may apply
• Slower clearance |

There is an opportunity to introduce an ASEAN-Wide Low Value Shipment Program to cover intra-ASEAN shipments but with enhanced scope of benefits* so as to increase intra-ASEAN trade, reduce trade processing costs and benefit MSMEs.
## Low Value Dutiable Categories in ASEAN

<table>
<thead>
<tr>
<th>Country</th>
<th>De-minimis</th>
<th>Low Value Dutiable</th>
<th>High Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei</td>
<td>BND400 Below</td>
<td>None</td>
<td>Above BND400</td>
</tr>
<tr>
<td>Cambodia</td>
<td>USD50 Below</td>
<td>None</td>
<td>Above USD50</td>
</tr>
<tr>
<td>Indonesia</td>
<td>USD75 Below</td>
<td>USD75 to USD1500</td>
<td>Above USD1500</td>
</tr>
<tr>
<td>Laos</td>
<td>None</td>
<td>None</td>
<td>All Values</td>
</tr>
<tr>
<td>Malaysia</td>
<td>RM500 Below</td>
<td>None</td>
<td>Above RM500</td>
</tr>
<tr>
<td>Myanmar</td>
<td>USD50 Below</td>
<td>None</td>
<td>Above USD50</td>
</tr>
<tr>
<td>Philippines</td>
<td>PHP10,000 Below</td>
<td>PHP10,000-50,000</td>
<td>Above PHP50,000</td>
</tr>
<tr>
<td>Singapore</td>
<td>SGD400 Below</td>
<td>None</td>
<td>Above SGD400</td>
</tr>
<tr>
<td>Thailand</td>
<td>THB1,500 Below</td>
<td>THB1,500-40,000</td>
<td>Above THB40,000</td>
</tr>
<tr>
<td>Vietnam</td>
<td>VND1m Below</td>
<td>None</td>
<td>Above VND1m</td>
</tr>
<tr>
<td>Issue</td>
<td>Indonesia</td>
<td>Philippines</td>
<td>Thailand</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------</td>
<td>-------------</td>
<td>----------</td>
</tr>
<tr>
<td>Threshold?</td>
<td>USD75-1500</td>
<td>PHP10K-50K</td>
<td>THB1.5K-40K</td>
</tr>
<tr>
<td>Reduced Data Requirements?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Consolidated Declarations?</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Submission Pre-Arrival?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Duties and Taxes Applied?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Official Charges Applied?</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Periodic Payment of Duties?</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>ATIGA Treatment?</td>
<td>No</td>
<td>Yes with Approval</td>
<td>No</td>
</tr>
<tr>
<td>Import License Exemptions?</td>
<td>Yes for some</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Regulation Based?</td>
<td>Yes</td>
<td>Pending</td>
<td>Yes</td>
</tr>
</tbody>
</table>
**ALVSP – Additional Clarifications**

- Member Countries with existing Low Value Dutiable categories to consider aligning with ALVSP; to retain existing thresholds where they exceed SDR1000;
- Member Countries without existing Low Value Dutiable category to consider adopting ALVSP
- Member Countries with existing Low Value Non-Dutiable categories will continue to apply in accordance with clearance procedures for eligible shipments
- Key benefits to importers/exporters:
  - Simplified and faster customs clearance
  - Exemption of Form D and licenses
- Impact is revenue neutral as ATIGA duty rates, other domestic taxes and charges will apply
- JBCs to contribute to USAID’s IGNITE Study on LVS Best Practices
| Element 1 | Agreement in principle for an ASEAN-Wide ALVSP |
| Element 2 | Decide a transitional and flexible threshold target (proposed: SDR1000) |
| Element 3 | Decide on elements of ASEAN-wide simplified and faster clearance |
| Element 4 | Raise Form D waiver threshold (proposed: SDR1000) |
| Element 5 | Agreement to waive license requirements for controlled items |
| Element 6 | Allow periodic or account based tax collection (could start with a pilot) |
| Element 7 | Simplified procedures for tax refund (returned shipments) |

Various elements can be categorized into short, medium, and longer terms depending on complexity. Member Countries requiring longer implementation allow for “ASEAN-X” implementation with phase-in periods for.

ALVSP – Proposed Implementation Approach
NTB Study Report:
Additional Slides & Aide-Memoire
Patent Issues of All Sorts—Delays, Backlogs, etc

Product Registration Issues

Need for Local Partner

Constant Changes to Laws and Regulations

Reimbursement Process for Government Purchases is Lengthy

Price Ceilings on Many Products

Local Content Requirements for Manufacture

Patent Issues of All Sorts—Delays, Backlogs, etc

Difficulty Accessing Government Formulary

Delays in Product Registration

Broad Spectrum of NTMs in Pharma
Limited Import Licenses
Distribution Restrictions
Inconsistent Valuation Procedures
High Taxes/Excise Tax on Taxes
Constant Changes to Laws and Regulations
Arbitrary and Inconsistent COA Requirements
Complex Import License Procedure
Unclear and Stringent Labeling Requirements
Import Quotas
Limited Import Licenses
Multiple Licenses
Advertising Restrictions
Broad Spectrum of NTMs in Alcoholic Beverages
High Taxation: Excise Taxes/CO2 Based

Import Quotas

Inconsistencies in Implementation Procedures

Gazetted Valuation

Differential Taxation

Inadequate Testing Infrastructure

Import restrictions

High Taxation: Excise Taxes/CO2 Based

National Technical Standards

Labeling Requirements

Complex Homologation Procedures

Foreign Exchange Approvals

Broad Spectrum of NTMs in Automotive Sector
Assessments in Report

- Report collects hundreds of examples of non-tariff issues identified through interviews across ASEAN
- Assessed by red/yellow/green scale
  - Scale is continuum by how much of a barrier each issue is perceived to be by firms
  - Note: “green” circles limited--firms generally don’t report on non-issues
- Report should be viewed as sample of industry opinions
- Not every country/sector was included, but as many as possible given limited time frames and project budget constraints
- But scope for improvement everywhere is clear
ASEAN-Level Recommendations #1

1: Create improved systems to effectively identify and collect information on both NTMs and NTBs
   1.1: Promote transparency in NTMs in an open database system
       • Example: Use of ASEAN Trade Repository (ATR) to track NTMs
   1.2: Quickly follow and implement ASEAN’s 2018 NTM Guidelines
   1.3: Allow for ASEAN member state response to NTMs
   1.4: Streamline NTMs
   1.5: Ensure appropriate and effective mechanisms to allow firms to notify ASEAN about probable NTBs
       • Example: Better use of ASSIST by individual firms, industry bodies, law firms and trade associations
ASEAN-Level Recommendations #2

2: Effectively manage identified NTMs and reduce NTBs
   2.1: Ensure that ASEAN has appropriate institutional body in place to address NTM and NTB issues
       • Create new body or use Coordinating Committee on ATIGA (CCA) or the ASEAN Trade Facilitation Joint Consultative Committee (ATF – JCC) should be placed in charge of NTM/NTB review
   2.2: Craft targeted, time-bound NTB reduction commitments
       • Clear mandate for body to deliver on these commitments
   2.3: Set principles for regulatory reform based on international best practices
ASEAN-Level Recommendations #3

3: Develop clear procedures and institutional frameworks for tracking the elimination of NTBs
   3.1: Ensure that the review body has the capacity to track the elimination of NTBs
   3.2: Ensure that the review body has the mandate and resources to develop work plans and support the elimination of identified NTBs
ASEAN-Level Recommendations #4

4: Ensure the harmonization of standards and build capacity of ASEAN member states and firms to meet those standards

4.1: Continue to effectively implement programs using international standards; MRAs especially for conformity assessment; and accreditation of testing facilities

4.2: Include appropriate follow-up mechanisms to ensure compliance

– Example: Ensure that ACCSQ and the Working Group on SPS have such mandates and mechanisms on NTMs

4.3: Ensure processes in place to engage and hold accountable non-compliant members
ASEAN-Level Recommendations #5

5: Strengthen work with the private sector to identify, eliminate and conduct compliance reviews of NTBs across the region
   5.1: Invite the private sector to participate in ASEAN working committees
   5.2: Work with the private sector to identify areas of most significant cost to help prioritize efforts
Regional Digital Connectivity: Trade & Payment
Digital Trade Connectivity

TODAY’S TRADE PROCESSES ARE HAUNTED WITH MANY CHALLENGES

*Premise:*
- The trade ecosystem with end-to-end processes is still not digitalized.
- How to streamline international trade involving:
  - 25 parties at least
  - 30 to 40 trade documents generated and
  - 60 to 70% of information manually re-entered at least once

*The Challenge:*
- Reduce transaction costs and improve efficiency, speed, and reliability of International trade and supply chain.
- Reduce occasions of fraud and double financings.
- Support data analytic through “Big Data”.
- Increase potential trade finance and SME Access to Finance.
- Improve Ease of Doing Business Rating.
- Align with APFF Workstream on “Digitalization of Trade and Supply Chain Finance” and “Next Generation Initiatives for MSME Finance”.

**Bottom line:**
Increase “TRUST” through digital transactions
Building up the ecosystem that support the Regional Digital Trade Connectivity

Regional level

Harmonized rules and regulations, standardized practices and documents
- ASEAN open trade data network
- ASEAN digital trade governance framework
- ASEAN Single Window (ASW)

Every economy should promote digital trade connectivity

Private and Public Sectors Interconnect Architecture

Each economy should move toward digitalized trade transactions on an end-to-end process.
Progress on Digital Trade Connect

- Presented to ASEAN Leaders
- Presented to ASEAN Economic Ministers
- Included in the ASEAN Chair Statement
- ASEAN Secretariat nominated ICT Working Group to work with ASEAN-BAC in this project
- Currently engaging consultants to do a study and to provide recommendation on regional guidelines
Key Milestones in 2020

March 2020
• 1st Meeting of Focal Point Group & Meeting between Focal Point Group and Consultants

April 2020
• Get a Consultant supported by UK Government
• Get a confirmation from Japanese Government of a support in engaging a Consultant to do a study on Digital Trade Connect
• Provide update on the project to ASEAN Finance Ministers and Central Bank Governors

September 2020
• Include the study and recommendations in ASEAN-BAC report to AEM

October 2020
• Receive a report on the outcome of the study and recommendations from Consultants

November 2020
• Include the study and recommendations in ASEAN-BAC report to ASEAN Leaders
Digital Payment Connectivity

Digitization of Payment

1. Facilitate the cross-border transactions
2. Supporting open Infrastructure & Interoperability ecosystem
3. Providing less expensive & more convenient e-Payment and cross border fund transfer channel
4. Enhancing payment and cross border fund transfer security
5. Expanding development of financial innovations and e-Payment
6. Promote the use of local currency
7. In-line with APFF Workstream on Digital Payments
Digitization of Payment

**National level**

<table>
<thead>
<tr>
<th>QR PAYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ONE QR Code for</strong></td>
</tr>
<tr>
<td>ANY mobile applications</td>
</tr>
<tr>
<td>MULTIPLE payment instruments</td>
</tr>
<tr>
<td>ALL merchants</td>
</tr>
<tr>
<td>OPEN infrastructure</td>
</tr>
<tr>
<td>CROSS-BORDER payments</td>
</tr>
</tbody>
</table>

**WORKER REMITTANCES**

- **METHOD FOR REMITTANCE**
  - (Diagram with various icons indicating pain points)

- **PAIN POINT**
  - (List of pain points)

**Regional level**

Building Interoperable digital payment infrastructure in ASEAN

- **Standardized interoperable QR Code for Payment and workers remittances based on international standard accommodate Ecosystem**

- **Industry engagement and collaboration to establish standard, business rules, and guideline**

- **Supportive regulations : KYC, AML**
Digital Payment Connectivity through QR Interoperability

• According to the Financial Connectivity - Interoperable QR Code for Cross-Border ("ASEAN QR") at the "5th ASEAN Finance Ministers 'and Central Bank Governors' and Related Meetings between 2 - 5 April 2019 in Chiang Rai Province. QR payments:

-- is experiencing phenomenal growth across ASEAN markets, driving widespread merchant and consumer e-payment adoption, business intelligence and financial inclusion.
-- are a quick, flexible, accountable, asset-light and affordable method to offer e-payments for domestic and foreign customers.
-- lower the cost of e-payments within ASEAN
-- is a promising digital launchpad for ASEAN interested to leapfrog towards national digitalization and financial inclusion.

• Financial inclusion is the goal and banking communities should work together to drive a roadmap to achieve the goal.

• Initially, a total of 7 countries have participated in this project, while Brunei, Myanmar, Lao are participated as observers. However, in the future, there are plans to participate in this project.