

ASEAN FOR BUSINESS

Bimonthly Bulletin

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In Focus: Highlights of ASEAN's Private Sector Engagement in 2021



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The private sector is one of the key implementers and beneficiaries of the ASEAN Economic Integration Agenda. Therefore, the ASEAN Economic Community (AEC) building efforts will not be fully realised without the active participation of the private sector. Increased engagement with stakeholders is a new feature of the AEC Blueprint 2025, which signifies two mandates on strengthening the role of the private sector by recognising that efforts must be made to; first engage the private sector effectively to provide easier access to official information on the implementation of AEC, and second, to enhance the involvement and more structured participation of the private sector that will be advantageous to the achievement of ASEAN goals.

To this end, the ASEAN Secretariat (ASEC) has been working to implement this mandate and successfully held 115 engagements between the private sector with the ASEC and its sectoral bodies from January to Mid-November 2021. This number marks a significant increase of 64%, compared to the number of private sector engagements held in 2020. This number also illustrates the private sector's high enthusiasm to actively participate in the AEC implementation and contribute to the ASEAN recovery process despite the remaining uncertainty posed by the COVID-19 pandemic in 2021.

About the Bulletin

ASEAN for Business is a bulletin published by the Enterprise and Stakeholder Engagement Division of the ASEAN Secretariat.

This bimonthly bulletin provides quick updates on specific topics related to the ASEAN Economic Community (AEC) for businesses operating in the region.

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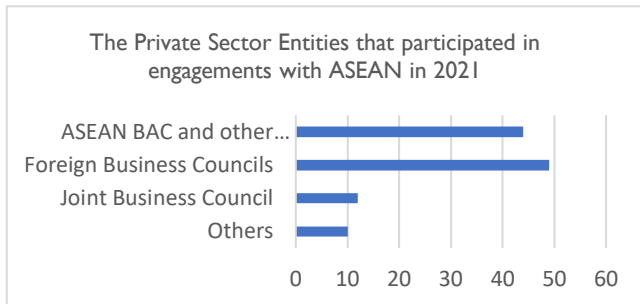
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Involved Private Sector Entities

ASEAN is open to engaging in mutually beneficial collaborative engagements with the private sector who demonstrate responsible citizenship by supporting ASEAN's core purposes and principles and its causes as reflected in the ASEAN Charter. Throughout 2021, ASEAN has engaged with various private sector entities as follow:



The ASEC and its sectoral bodies have total of 49 engagements with fifteen ASEAN+1 or ASEAN+3 Business Councils operating in ASEAN, 44 engagements with ASEAN Business Advisory Councils (ASEAN-BAC) and other ASEAN-indigenous Business Associations, 12 engagements with the Joint Business Councils (JBCs) and 10 engagements with other private sector entities. Other private sector entities are welcome to engage with ASEAN, and the rules of procedure for engagement is available [here](#).

Mode of Engagements

There are three modes of engagements between the ASEC and ASEAN Sectoral Bodies with the private sector.

- **Mode 1. Consultation:** Consultations contributed to 76% of engagements in 2021, and in this mode, the private sector may raise issues faced when doing business in the region and provide recommendations to the policymakers and agencies under the purview of respective sectoral bodies or desk officers in the engagements.
- **Mode 2. Webinar and Public Dialogue:** This engagement serves as ASEAN's platform to promote ASEAN's policies to a broader public audience and share ASEAN's response to contemporary issues. In 2021, ASEAN has participated in 21 webinars held by business councils.
- **Mode 3. Workshop:** The ASEC invited

representatives from the private sectors to partake in the policy formulation through a workshop as practised in the consultative workshop on the consolidated strategy on the Fourth Industrial Revolution (4IR) for ASEAN and Consultative Workshop on Circular Economy. ASEAN held 10 workshops in 2021, which emphasised ASEAN's commitment to involving private sectors along the ASEAN's policymaking process.

Other ASEAN's Private Sector Engagement Initiatives

- **ASEAN Business Sentiment Study 2020/2021** consisted of a survey across 1,115 ASEAN Indigenous Enterprises (IE), 106 key informant interviews with ASEAN business leaders, and 29 workshops with 238 representatives of ASEAN IE. Conducted by Ipsos Strategy 3 with the support of ASEAN-Australia Development Cooperation Program Phase II (AADCP II), the full report will be publicly available in the first quarter of 2022.
- **ASEAN Access** is a one-stop business information gateway for international-oriented businesses to expand their market outreach in ASEAN and beyond. The web portal aims to promote intra-ASEAN trade by providing SMEs with trade and market information and linking them with service providers in distribution, transportation and logistics, market research, and consultancy on intellectual properties, laws, and regulation, among others.

Room for Improvements

The engagement has become more frequent and structured, with regular engagement contributing 46% to total engagement in 2021. However, there remain challenges in enhancing the quality of engagement between the private sector and ASEAN. Intensifying informal consultation between private sectors and ASEC Desk Officers was identified as one of the solutions to this issue during the 6th AEC Dialogue earlier this year. Hence consultation with ASEC has increased and contributed to 25% of total consultations. Nonetheless, the private sector is welcome to provide candid recommendations and practical suggestions to further improve the quality of engagement in 2022 through this [link](#).

ASEAN adopted Consolidated Strategy on the Fourth Industrial Revolution for ASEAN

ASEAN Leaders, at the 38th and 39th Summit held in October 2021, adopted the Consolidated Strategy on the Fourth Industrial Revolution (4IR) for ASEAN to help guide the ASEAN Community's progression towards digital transformation. This strategy aims to develop ASEAN's regional capacity in, amongst others, cybersecurity, artificial intelligence and the advancement of regional supply chains including through digitalisation of trade documents and would also contribute to the utilisation of 4IR technologies to boost the region's competitiveness, and well-being, through inclusive digital transformation. The full document is available on this [link](#).

The Adoption of ASEAN Investment Facilitation Framework

The ASEAN Economic Ministers (AEM) and ASEAN Investment Area (AIA) Council adopted the ASEAN Investment Facilitation Framework (AIFF), as one of the Priority Economic Deliverables (PEDs) under Brunei Darussalam's 2021 ASEAN Chairmanship. AIFF sets out the principles and actions to facilitate the inflow of investment into the region as ASEAN steps up its efforts towards a comprehensive recovery. It is intended to improve accessibility and transparency of investment measures, streamline and speed up administrative procedures and requirements, and create favourable conditions for investment to enhance regional economic integration and allow ASEAN to capture opportunities presented by shifts in global value chains. The text of the AIFF is accessible [here](#).

The ASEAN – Canada Announced the Launch of Negotiations for Free Trade Agreement

[ASEAN Economic Ministers \(AEM\) and Canada have launched the negotiations for ASEAN-Canada Free Trade Agreement](#) at the 10th AEM-Canada Consultation held on 17 November 2021. This announcement illustrates the growing depth of ASEAN – Canada economic relations and the importance of deepening the bilateral relationship. In 2020, the total two-way merchandise trade was valued at USD 19.9 billion and the foreign direct investment (FDI) from Canada to ASEAN Member

States reached USD 12.5 billion, showing an increase of 11.7% year-on-year, while FDI from AMS to Canada was USD 1.2 billion.

Virtual Consultation Workshop on Advance Ruling on Origin

The Royal Malaysia Customs Department, supported by the ASEAN Secretariat and the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Support Unit, organised [a virtual consultation workshop on Advance Ruling on Origin \(ARO\)](#) on 22-25 November 2021. The workshop deliberated on the application of Advance Ruling on Origin (ARO) under AANZFTA. Sixty-three representatives from the AANZFTA Sub-Committee on Customs Procedures and Trade Facilitation (SC-CPTF), customs administrations, and trade policy and rules of origin offices reviewed the development of regional training programme and materials on advance rulings. The Workshop was part of the "Capacity Building on Advance Ruling on Origin" project supported by the AANZFTA Economic Cooperation Programme.

ASEAN Agreement on Electronic Commerce officially enters into force

The ASEAN Agreement on Electronic Commerce entered into force on 2 December 2021, following the receipt of the notification of Indonesia's Instrument of Ratification, in accordance with Article 19(2) of the Agreement. The E-Commerce Agreement was signed on 22 January 2019 in Ha Noi, Viet Nam, to establish common principles and rules to promote the growth of e-commerce in the region and to strengthen AMS' legal and regulatory capacity to support e-commerce. The Agreement provides a guideline for modern rules on e-commerce transactions in the region and paves the way towards a regionally integrated digital economy. The full text of the E-Commerce Agreement can be accessed at this [link](#).

Upcoming Events

Senior Economic Officials Meeting Retreat

Virtual,
11
January 2022

ASEAN Tourism Forum 2022

Phnom Penh,
18
January 2022

12th Meeting of the Committee of the Whole for the ASEAN Economic Community (CoW)

Phnom Penh,
TBC
January 2022

1st RCEP Joint Committee Meeting

Virtual,
TBC
January 2022