

**Opening Remarks by
H.E. Dr Kao Kim Hourn, Secretary General of ASEAN**

**Meeting of Governors/ Mayors of ASEAN Capitals (MGMAC) and
ASEAN Mayors Forum (AMF) 2023**

1 August 2023, Hotel Fairmont, Jakarta, 09.30-10.30

Excellency Retno Marsudi, Minister of Foreign Affairs of the Republic of Indonesia and ASEAN Chair 2023,

Excellency Heru Budi Hartono, Acting Governor of Jakarta Special Capital Region,

Dr. Drs. Safrizal, Z.A., Director-General, Ministry of Home Affairs of the Republic of Indonesia,

Excellencies Governors and Mayors from the ASEAN Member States,

Excellencies, Permanent Representatives of ASEAN Member States to ASEAN,

Dr Bernadia Irawati Tjandradewi, Secretary-General of UCLG Asia Pacific,

Distinguished Guests, Friends, Ladies and Gentlemen,

1. Good morning, I am truly honoured to be here with you this morning in this vibrant capital city of Jakarta for the Meeting of Governors/Mayors of ASEAN Capital (MGMAC) as well as the ASEAN Mayors Forum (AMF) 2023. I wish to sincerely express my appreciation to MGMAC and AMF for inviting me to deliver the opening remarks at this important event.
2. The Chairmanship theme of **“ASEAN Matters: Epicentrum of Growth”** under Indonesia this year is highly relevant and important, given the increasingly complex and multifaceted external situation confronting ASEAN at the moment. While the region has gradually moved out from the COVID19 pandemic, the international community continues to be threatened by rising inflation, extensive fiscal tightening, as well as the impacts of climate change, which have disrupted the production of global commodities and driven up food and energy prices. Despite these challenges, I believe ASEAN has emerged stronger, safer, and more resilient as a Community. The region is expected to register solid growth, with forecasts of 4.6% in 2023 and 5.0% in 2024.

Excellencies, Ladies, and Gentlemen,

3. ASEAN today is home to over 670 million people and is the world's fifth largest economy with a combined GDP of almost US\$ 3.7 trillion in 2022. Moreover, the region's population is climbing over the 51.2% urban threshold. **Pursuing smart and sustainable cities development can therefore further contribute to greater regional growth and development as well as greater socio-economic outcomes.**
4. In this regard, I would like to use this auspicious occasion to congratulate H.E. Joko Widodo, President of the Republic of Indonesia and the ASEAN Chair for 2023, for the successful convening of the 42nd ASEAN Summit in Labuan Bajo in May this year. Many of the decisions made during the 42nd ASEAN Summit related to actions in promoting the capacity of cities and local governments, including, among others, protection of migrant workers; development of electric vehicle ecosystem; the need for digital transformations; the building of climate and disaster resilience communities; and of course, also we have the One Village Network and the One Health Initiative as well; all of which are critical issues to be discussed at this forum.
5. The ASEAN Smart Cities Network (ASCN), of which all ASEAN Capitals are members, provides a collaborative platform where the major cities can work together towards the common goal of smart and sustainable urban development. In this regard, I am pleased to note the successful convening of the 6th ASCN Annual Meeting, which was held in Bali recently on 12 July this year. Likewise, the ASEAN Sustainable Urbanisation Strategy (ASUS) helps ASEAN cities to prioritise their sustainable urbanisation actions as well as develop comprehensive action plans or viable proposals relevant with their unique contexts. Both initiatives complement each other, especially in catalysing opportunities for innovative, inclusive, and sustainable urban development. Cities will therefore need to find the right combination of technologies, policies, and partners to suit their own priorities and journeys.
6. To support such vision, the ASEAN Secretariat convened a multistakeholder platform, the ASEAN Sustainable Urbanisation Forum (ASUF) in 2021, to bridge knowledge sharing and regional policy development, focusing on resilient recovery in cities, while promoting connectivity, and learning opportunities for the ASEAN Member States, ASEAN cities, and of course the ASEAN people. A second ASUF is now being prepared and scheduled in 2025.
7. With the vital role of cities in driving and spearheading the transformation needed towards sustainable development, the ASEAN Member States would also need to build the capacity of their cities and municipalities to promote pathways towards low carbon and a climate resilient ASEAN. The pursuit of carbon neutrality goes

beyond environmental considerations. It is also about economic transformation. Based on a recent analysis study by Boston Consulting Group (BCG), embracing carbon neutrality transition could bring up to US\$ 5.3 trillion in economic value to ASEAN, and attract up to US\$ 6.7 trillion in green investment, which would then generate up to 66 million additional jobs by 2050.

8. Indeed, investing in green and clean technologies to foster long-term growth is pivotal. In addition, smart urban planning, city-wide renewable energy adoption, as well as the implementation of circular economy practices should be encouraged as essential steps towards a sustainable future, especially in a developing region like ASEAN. Enforcing sustainability in all dimensions across ASEAN cities will require a whole-of-community approach, and thereby reaffirming ASEAN's continued commitment to leaving no communities behind.

Excellencies, Ladies, and Gentlemen,

9. Another way to achieve a low carbon economy is to undertake digital transformation. The COVID19 pandemic accelerated the pace of digital transformation in the region, with 400 million active internet users today. The ASEAN digital economy is projected to grow significantly and is estimated to reach US\$ 1 trillion for the regional GDP by 2030. Such potential has prompted a feasibility study on an ASEAN Digital Economy Framework Agreement (DEFA) which is due for completion and to be adopted at the 55th ASEAN Economic Ministers (AEM) Meeting this month. The launch of the DEFA regional negotiation will be a significant achievement in ASEAN regional integration journey as it makes us a pioneer in advancing a legally-binding digital economy agreement.
10. Based on research by the UN Habitat, ASEAN cities are forecasted to drive 40% of the region's growth in the long run. Recognising the push for greater digital transformation in cities, national and local governments should identify their priorities and needs as well as deciding on the approaches that are relevant for their respective national and local contexts. This includes efforts in strengthening data governance and data interoperability as well as digital inclusivity and data literacy for the people. These efforts will ensure resiliency is forged in urban areas, which eventually enhances regional stability.
11. ASEAN, on its part, has consistently been working industriously to further equip the resiliency of towns and cities in the region, notably through the ASEAN Comprehensive Recovery Framework (ACRF). One example is the **Smart Green ASEAN Cities Programme**, which was launched virtually in 2021. It aims to directly contribute to reducing environmental and carbon footprints of selected ASEAN cities, while promoting energy efficiency and renewable energy. Another initiative, **the Digital Financial Literacy for ASEAN Policy Note**, which was also launched in 2021, aims to equip the people in the cities with sufficient financial

literacy, thereby enhancing their financial inclusion. The guideline contains an effective framework of policy recommendations to support policymakers and regulators in understanding, developing, and facilitating policies, and designing interventions directed at advancing the digital financial literacy of the people, particularly at the local level.

Excellencies, Ladies, and Gentlemen,

12. The MGMTAC and AMF can be credible platforms to deepen and broaden collaboration and partnership among the ASEAN cities and local governments as well as to catalyse the collective efforts in attaining the ASEAN Community Vision 2025 and beyond. I would like to commend the actions and commitment made by cities and local governments in the ASEAN Member States through these two platforms in supporting the ASEAN Community.
13. I wish to take this opportunity to also thank the Acting Governor as the ASEAN Secretariat is based here in Jakarta, and made up of two beautiful buildings, the New Building and the Heritage Building. At the moment we have more than 420 staff working in the New Building but we also have the Heritage Building hosting the supporting staff from the Dialogue Partners. I can say also that the ASEAN Secretariat has attracted a lot of interest, particularly from our external partners, which is why we refer to Jakarta as the ASEAN capital.
14. On that note, I always encourage the external partners that have their embassies located outside the region to move to the ASEAN capital here in Jakarta. For ambassadors accredited to ASEAN, I encourage them to move to Jakarta so it is easier to work here. We have so many ambassadors accredited to ASEAN of more than 100 at the moment. So, this is really the center of diplomacy and cooperation.
15. At the same time, I would like to encourage greater inter-cities partnership in ASEAN to produce more tangible outcomes, through pooling resources, knowledge, expertise, and capitals, together. Only through synergised cooperation, can we achieve the vision of ***“ASEAN: A Community of Opportunities for All”***. In closing, may I urge all Governors and Mayors, and the constituencies that you respectively lead and manage, to work together to build smart, resilient, and sustainable ASEAN cities for ASEAN peoples.

Thank you.