

ASEAN ECONOMIC INTEGRATION BRIEF



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ASEAN Secretariat

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AEC Post-2025 Unit
ASEAN Secretariat

Updates on the ASEAN Economic Community

From the Editor

ASEAN continues to maintain its economic growth this year despite weak global demand affected by high inflation and financial tightening. Despite the persistent improvement of its macroeconomic environment, it remains crucial for ASEAN, as this 14th issue of the ASEAN Economic Integration Brief highlights, to enhance its resilience in the face of potential shocks.

In addition to the analysis of regional economic outlook and latest updates on the ASEAN Economic Community (AEC), this edition presents two featured articles on the latest initiatives to further strengthen ASEAN economic integration and existing efforts to chart AEC post-2025 agenda. In the first article, Latifahaida Abdul Latif of the ASEAN Integration Monitoring Directorate of the ASEAN Secretariat articulates ASEAN's ongoing work to accelerate decarbonisation in the region which, not only bringing environmental benefits, but also economic gains by attracting green investment and generating green jobs.

Meanwhile, the second featured article, written by Gusti Ayu Meisa Kurnia Dewi Silakarma, Ayuni Yustika Sari and Charissa Patricia of the ASEAN Economic Community (AEC) Post-2025 Unit of the ASEAN Secretariat highlights the preparation of the AEC Post-2025 planning as well as the global megatrends facing the region.

As a regular feature of the AEIB, the present issue also presents the latest key economic indicators relevant to the region.

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Stepping up for a Carbon Neutral ASEAN

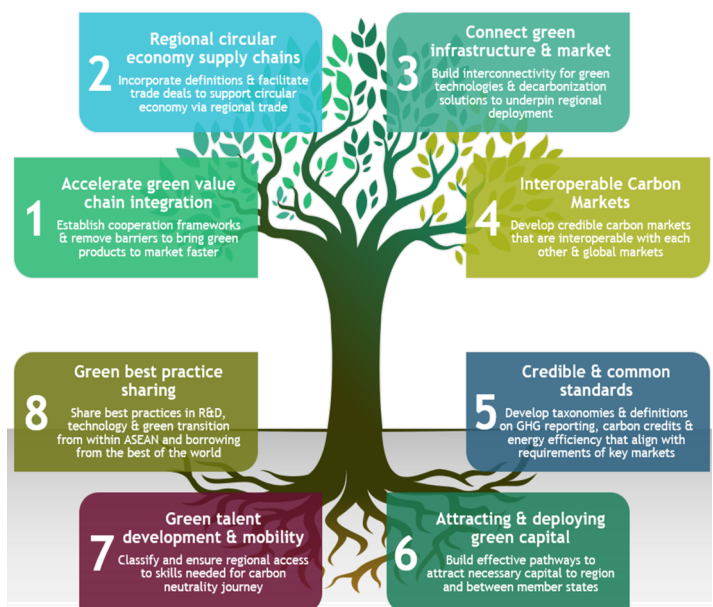
LATIFAH AIDA ABDUL LATIF

*Assistant Director/Head
Analysis and Monitoring on Finance and
Socio-Economic Issues Division
ASEAN Secretariat*

the full value of regional value chain to unlock ASEAN manufacturing and export potential; ii) enabling interoperability within ASEAN to exchange green electricity, products and feedstocks; iii) adhering to globally credible standards that will attract capital into the region; and iv) developing green capabilities within ASEAN to drive climate transition.

Primarily, the Strategy seeks to complement ASEAN Member States national policy in achieving their respective Nationally Determined Contributions under the Paris Agreement. The development of the Strategy employs an impact-led approach to design collective actions at the regional level that could mitigate the challenges to deploy decarbonisation solutions to the source of carbon emissions. The Strategy also evaluates key structural advantages and disadvantages of ASEAN Member States, to identify complementarities that can accelerate the region's transition to carbon neutrality. For example, ASEAN Member States with vast natural capital could generate high-quality carbon credits that can be used to attract investments and mobilise capital into green or transition projects in the region. Another example, leveraging on ASEAN's existing trade instrument could unlock the opportunity to greenify the region's supply chain. Specifically, enabling the movement of circular products such as used goods across the region, will create the required economies of scale to ensure that ASEAN is able to close the loop with regard to our production and consumption that would lead to lower carbon footprint.

Figure 1. Eight strategies identified to address key obstacles to decarbonization, and together, will accelerate journey



Decarbonising the value chain is critical to maintain ASEAN's competitiveness in trade amidst increasing climate action. Climate-related policies and regulations, particularly in developed economies, such as the EU Green Deal and the US Inflation Reduction Act, are reshaping how the world trade with each other. Moreover, many multinationals are transforming their entire supply chains to be sustainable and

Carbon neutrality brings both environmental and economic benefits. Transforming business processes to be green and sustainable, by leveraging on technologies, will help to lower GHG emissions for the region. In addition, the pursuit towards carbon neutrality is estimated to add up to USD 5.3 trillion to the region's economy, attract up to USD 6.7 trillion green investment and generate up to 66 million jobs by 2050.¹

Taking into account these compelling prospects, the ASEAN Economic Community Council adopted the ASEAN Strategy for Carbon Neutrality in September of this year. This Strategy will guide the region's transformation towards a just, inclusive, and greener future.

The Strategy leverages on ASEAN's distinct characteristics given the region's rich natural resources, diversities and complementarities, while considering the balance between environmental and economic objectives. There are eight strategies identified to accelerate decarbonisation in ASEAN. The strategies focus on value chain integration, integrating circular economy supply chains, connecting green infrastructure, interoperability of carbon markets, developing credible and common standards, mobilising green capital, developing green talent, and sharing of green best practices. The eight strategies were detailed out into sixteen initiatives that will put in motion ASEAN's journey towards carbon neutrality.

The strategies will help to preserve ASEAN's competitiveness at the global stage through four key outcomes by i) developing green industries through capturing

¹ Estimates by the Boston Consulting Group (BCG) for the ASEAN Strategy for Carbon Neutrality.

green as part of their pledge to address climate crisis. Such shift in international trade behaviour requires businesses, especially small and medium enterprises that makes up more than 90 per cent of businesses in ASEAN, to adapt and decarbonise or risk being left out of the supply network².

The ASEAN Strategy for Carbon Neutrality demonstrates ASEAN's ambition of a carbon neutral future post-2025, and the determination to provide an enabling environment that will facilitate the transition process. Implementing the

Strategy will require strong collaboration across key stakeholders, including the private sector. The transition to low carbon requires considerable resources and know-how, and government resources alone are not enough to make any meaningful progress without the private sector's contribution. Businesses, in particular, are central to adopting sustainable practices in production that will support achieving carbon neutrality for the region. Only with close cooperation and strong support across key stakeholders can ASEAN realise a carbon neutral future for the region.

ECONOMIC OUTLOOK



Economic growth in ASEAN is projected to reach 4.3 per cent in 2023, rising slightly to 4.7 per cent in 2024 amid weak global demand affected by high inflation and financial tightening. The region's growth, fueled by domestic demand has been enhanced by improved labor market conditions and rising incomes. The manufacturing sector remains essential, despite challenges from reduced external demand caused by credit crunch in major economies³. The services sector is on a recovery path, driven by the resurgence in international arrivals, leading to rising tourism receipts and increased demand for accommodations, food services, and

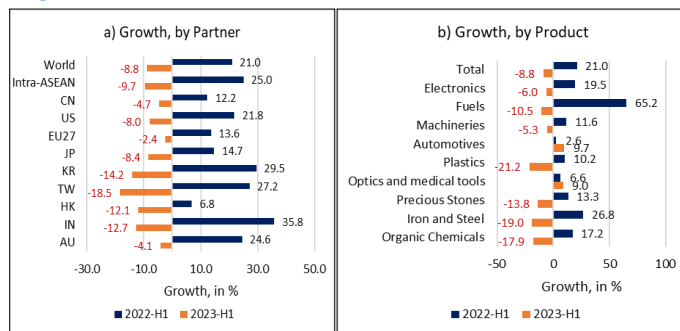
transportation. From January to July, most economies, including Cambodia, Indonesia, and Singapore, have approached their pre-pandemic monthly averages for tourist arrivals. While financial conditions have shown improvements and inflation rates are anticipated to decrease, it remains crucial for the region to enhance its resilience in the face of potential shocks.

Table 1. Real GDP Growth

AMS	Annual Growth, in %			
	2021	2022	2023f	2024f
BN	-1.6	-1.6	2.8	2.5
KH	3.0	4.8	5.3	6.0
ID	3.7	5.3	5.0	5.0
LA	3.5	4.4	3.7	4.0
MY	3.3	8.7	4.5	4.9
MM	-5.9	2.8	2.8	3.2
PH	5.7	7.6	5.7	6.2
SG	8.9	3.6	1.0	2.5
TH	1.5	2.6	3.5	3.7
VN	2.6	8.0	5.8	6.0
ASEAN	3.8	5.6	4.3	4.7

Source: ASEAN Secretariat (December, 2023); Forecast based on ADB (2023)

Figure 2. ASEAN Growth Trade



Source: ASEAN Secretariat (October, 2023)

Note: The product category based on the Harmonised System (HS) at 2-digit level

Trade. Facing global trade challenges of tightened finance and disruptions in supply chain, it is forecasted that the growth in global trade volume will be modest at 0.8 per cent in 2023, a drop from 3.0 per cent in the previous year, casting a less optimistic view on ASEAN's trade outlook. Preliminary figures indicated an 8.8 per cent contraction in merchandise trade for the first six months of 2023, affected by weakened demand in ASEAN's major partners, a set back from the 21.0 per cent expansion during the same period in 2022. Sectoral analysis pinpoints a 6.0 per cent decline in

2 Standard Chartered (2021). "Realising sustainable trade in ASEAN: Four pressing issues" in ASEAN Insights. Available at <https://www.sc.com/en/feature/realising-sustainable-trade-in-asean-four-pressing-issues/>; Ramesh Subramanian and James Villafuerte (2023). "Evolution in global value chains key to a green and resilient ASEAN", in The Jakarta Post, March 30. Available at <https://www.thejakartapost.com/opinion/2023/03/29/evolution-in-global-value-chains-key-to-a-green-and-resilient-asean.html>.

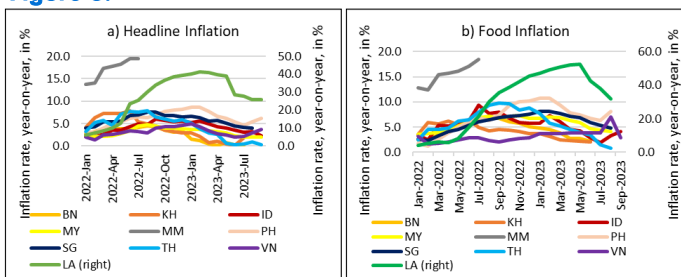
3 Asian Development Bank (December, 2023)



electronics (HS85) due to softening semiconductor demand, while fuels (HS27) reported a 10.5 per cent contraction. On a brighter note, the automotive sector (HS87) recorded a 9.7 per cent growth, spurred by intra-regional trades, and the optics and medical tools segment grew by 9.0 per cent, with noticeable push from heightened exports to major markets of the US and China⁴.

Foreign Direct Investment. Amid downward pressure of global investment affected by challenges in financial stability, foreign direct investment outlook in ASEAN for this year is not optimistic. Preliminary statistics charts an 11.5 per cent decline in FDI inflows into the region for the first half of 2023, compared to the same period in 2022. With total inflows of USD 99.5 billion, the intra-ASEAN inflows declined to USD 10.4 billion, marking a substantial 33.7 per cent contraction relative to the first half of 2022. However, on a positive note, certain sectors still show promise in attracting investment. Notably, the digital economy stands out, where technology firms and startups saw completed deals grew by 41 per cent year-on-year in the first-half of 2023⁵. Additionally, sectors centered on renewable energy continue to gain traction due to the rising demand for sustainable energy sources⁶⁷.

Figure 3. Inflation

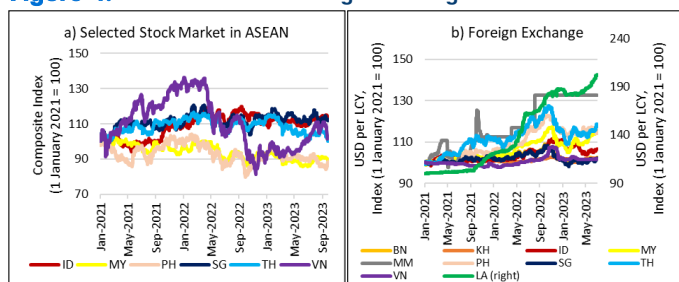


Source: Asian Development Bank (2023); Tradingeconomics (2023)

Inflations. Inflation trends in ASEAN are projected at 4.2 per cent for 2023 and 3.3 per cent for 2024, following a moderation during the first half of the year. This moderation is largely attributed to the easing pressures from global commodity markets. Despite this decrease, inflation rates remain elevated compared to pre-pandemic levels with countries such as Singapore and the Philippines projected to face inflation rates exceeding 5.0 per cent in 2023, largely driven by rising domestic costs. In Lao PDR and Myanmar, rates are anticipated to rise past 25.0 per cent and 10.0 per cent, respectively, a situation exacerbated by vulnerabilities from currency depreciation. While food inflation has generally subsided across the region, unpredictable weather events like El Nino and cyclones, along with India's embargo on rice exports, present significant challenges for rice-importing countries in ASEAN⁸.

Stock Market and Foreign Exchange. From January to June 2023, the ASEAN stock markets were more stable with fewer ups and downs, indicating a reduction in fluctuations

Figure 4. Stock Markets & Foreign Exchanges in ASEAN



Source: Compiled from investing.com

compared to the prior years. Concurrently, while most ASEAN currencies maintained stability throughout the year despite having exhibited some depreciation. In particular, by the end of September 2023, the Lao Kip had depreciated by a significant 119.2 per cent since its base levels in January 2021. This trend indicates a strengthening of financial conditions across stock and financial markets, potentially fostering investor confidence and spurring regional economic growth. Nonetheless, it is essential to proactively address the mounting external challenges to ensure this stability remains intact.

Risk. ASEAN's economic prospects appear favorable, but several factors pose threats to its sustained growth. The region's growth, especially in net exports and investments, is vulnerable to diminishing demand, exacerbated by financial uncertainties both globally and among ASEAN's key trade partners. Persistent geopolitical conflicts present challenges to the stability of international trade and global supply chains. For instance, decisions by Russia and Saudi Arabia to reduce oil production have already impacted energy price stability. In the agricultural sector, India's rice export ban could stimulate protectionist sentiments, affecting supply dynamics. Additionally, unpredictable climatic events pose risks to production, placing further pressure on global markets. As tensions escalate and nations adopt stricter measures, the risks of economic fragmentation become increasingly pronounced. Such shifts can heighten policy unpredictability, weaken market confidence, discourage investment endeavors, and potentially impede ASEAN's consistent growth trajectory.

Way Forward. Present global challenges should act as a catalyst for ASEAN to accelerate transformative and sustainable initiatives, ensuring long-term growth. To maintain its positive economic momentum, ASEAN needs strategies beyond business-as-usual and emphasize regional integration which is vital for bolstering resilience against external shocks. Nonetheless, ASEAN should remain committed to promoting multilateralism, emphasizing cooperative efforts and shared solutions across political, economic, security, and socio-cultural dimensions, highlighting its role as an epicentrum of growth and a significant force in shaping the international agenda.

4 The product category is based on the Harmonized System (HS) at the 2-digit level
 5 <https://www.january.capital/2023-h1-ecosystem-report>
 6 <https://www.bain.com/insights/e-economy-sea-2022/>
 7 <https://www.iea.org/reports/southeast-asia-energy-outlook-2022/key-findings>
 8 Asian Development Bank (September, 2023)

A Venture Towards The Future

Crafting the ASEAN Economic Community (AEC) Post-2025 Agenda

Gusti Ayu Meisa Silakarma
Ayuni Yustika Sari
Charissa Patricia

ASEAN Economic Community (AEC) Post-2025 Unit
ASEAN Secretariat

ASEAN is at its critical juncture, transitioning from the final years of the implementation of the ASEAN Economic Community (AEC) Blueprint 2025 to developing its next, post-2025, economic planning. Projected to be the fourth largest economy by 2050, robust, ambitious, and finely-tuned economic strategy would be important to attain this momentum. Success requires more than just celebrating existing achievements, but will also necessitate thoughtful considerations of lessons learned from past experiences, whilst maintaining flexibility to anticipate uncertainties.

Seven years after the implementation of the current Blueprint, ASEAN reaffirms its commitment as a credible institution that continuously strengthens supply chain and connectivity, upholds rules-based multilateral trading system, enhances sectoral cooperation, as well as fostering an inclusive and people-centred approach. To carry this momentum forward, whilst realising positive outlook projected in 2045, ASEAN strives to achieve a future economy that is action-oriented, sustainable, enterprising, adaptable, nimble, and inclusive. These are the core elements that make up the economic component of the ASEAN Community Vision 2045: Resilient, Innovative, Dynamic, and People-Centred ASEAN⁹.

In this vein, the AEC, along with the other pillars of ASEAN, is currently developing its strategic plans, which will be concurrently adopted with the ASEAN Community Vision 2045 by 2025. The AEC strategic plans will be formulated in a practical, outlining clear objectives and impactful measures that remain relevant to the needs of ASEAN people. Aligning

with this, the smaller loop of strategic planning cycles within the economic pillar will be designed to ensure a realistic and feasible implementation.

Whilst efforts and attention are directed to the post-2025 economic planning for the region, ASEAN is concurrently undertaking preparation on the conduct of the end-term review of its AEC Blueprint 2025. Aimed to assess the progress, achievements, and lessons learned of the region's economic integration thus far, the exercise is also expected to inform the development of the region's post-2025 economic planning.

High-Level Task Force on ASEAN Economic Integration (HLTF-EI) Direct Interface with Business Communities on AEC Post-2025



Photo Credit: ASEAN Secretariat

Inclusivity in the AEC Post-2025 planning. Inclusivity remains central to AEC Post-2025 planning. To ensure wide participation of AEC stakeholders in the development of this Strategic Plan, a series of stakeholder engagements is underway, including the recent interface between the High-Level Task Force on ASEAN Economic Integration (HLTF-EI)¹⁰, with the business community that took place on 18 September 2023, as well as the convening of HLTF-EI's interface with academia and civil society groups held on 29 November 2023.

Direct interfaces with ASEAN's external partners and wider AEC stakeholders will be carried out next year. Complementing these engagements is the AEC Post-2025 Survey, that is currently accessible through <https://tinyurl.com/AECPost2025Survey> to gauge public perspectives on what works in the past and solicit aspiration to shape the ASEAN's economy.

Let your voice be heard!

How does the ASEAN Economic Community (AEC) affect your life and communities?

What is your aspiration for ASEAN's economy beyond 2025?

Tell us your thoughts on:
tinyurl.com/AECPost2025Survey

Scan to participate →

Open to the general public,
available in 9 languages.

Contact Point:
AECPost2025@asean.org

⁹ This finalised draft was noted by the ASEAN Leaders at 43rd ASEAN Summit in September 2023.

¹⁰ HLTF-EI is the AEC responsible body mandated to develop the AEC aspects of the forthcoming strategic plan.

Post-2025 megatrends facing ASEAN. ASEAN's success in achieving its 2045 goals and priorities will also be determined by its ability to respond to the uncertainties presented by emerging megatrends, built upon cross-sectoral and cross-pillar collaboration. Two of these megatrends, technological advancements and sustainability, have already been featured in existing AEC work priorities, but are likely to be further amplified as technological disruptions and climate change are anticipated to continue defining the global economy in the post-2025 environment. Existing initiatives, such as the Consolidated Strategy on the Fourth Industrial Revolution, the ASEAN Digital Economy Framework Agreement, and ASEAN Strategy for Carbon Neutrality, will provide solid foundations for ASEAN to strategically embrace the challenges of these two megatrends. Likewise, future discourses may also need to link directly technological advancement and sustainability, particularly in strategic sectors such as energy, agriculture, and

transportation, where new and future technologies can help bolster the pursuit of sustainable practices.

Furthermore, as the region faces the challenges of rapid ageing population and the impending shift towards the future-of-work for ASEAN peoples, ASEAN will need to adopt inclusive policies to sustain the economic momentum and narrowing the development gap. Hence, ensuring equitable access for reskilling and upskilling, establishing life-cycle social safety nets, and making strategic investment in key sectors will be of paramount importance for ASEAN to enhance the region's productivity and innovation in this potentially challenging environment.

Works to realise the economically prosperous and thriving region remains formidable for ASEAN, necessitating steadfast commitment at both the national and collective regional levels. Business as usual will no longer suffice. It is crucial for ASEAN to partner with knowledge partners and private sectors to mobilise the necessary capital, enabling ASEAN communities to seize future opportunities and effectively address future challenges.

UPDATES ON THE ASEAN ECONOMIC COMMUNITY

Under Indonesia's Chairmanship in 2023, ASEAN underlined the importance of its role and continuing relevance in the Indo-Pacific region and the global setting. The Chairmanship theme "ASEAN Matters: Epicentrum of Growth" brought prominence to ASEAN as the anchor of stability and driver of economic growth in the region and across the globe.

To further this agenda in ASEAN Economic Community (AEC), Indonesia put forward three (3) strategic thrusts as the focus of its Chairmanship: (i) Rebuilding Regional Growth through Connected Markets and New Competitiveness, (ii) Accelerating Inclusive Digital Economy Transformation and Participation, and (iii) Promoting Sustainable Economic Growth for a Resilient Future. Culminating its Chairmanship in December 2023 and handing over the baton to Lao PDR, it is noteworthy to highlight ASEAN's significant milestones. These achievements, realised through the Chairmanship's Priority Economic Deliverables (PEDs) and the 2023 AEC Annual Priorities, underscore the impactful progress made during Indonesia's Chairmanship in 2023.

Recovery and Rebuilding. To rebuild regional growth, ASEAN implemented measures to further the creation of connected markets, and development of new sources of competitiveness for the region. This strategic focus involved advancing work on trade in services, financial stability and resilience, food security, free trade agreements, and building resilient supply chains.

Complementary to the ASEAN Investment Facilitation Framework that was adopted in 2021, ASEAN further worked on and concluded the negotiations of the ASEAN Services Facilitation Framework (ASFF) in August 2023. The ASFF aims

to boost and increase cross-border trade and investment in the services sectors by reducing barriers as well as establishing a favourable and predictable business environment for international trade and investment.

On financial stability and resilience, one of the major outputs this year is the ASEAN Leaders' Declaration on Advancing Payment Connectivity and Promoting Local Currency Transaction (LCT) in May 2023. This declaration aims to promote the use of local currencies for cross-border transactions and reduce the region's vulnerability to external volatility. In addition, the Finance and Health Ministers held a joint meeting in August 2023 to address the immediate challenges in ensuring the region's recovery and post-pandemic rebuilding efforts. In particular, the discussion paid attention to key relevant initiatives, such as the Pandemic Fund, One Health Initiative, and expansion of the COVID-19 ASEAN Response Fund to other public health emergencies and emerging diseases.

To underscore ASEAN's commitment to addressing the food security issue, the ASEAN Leaders issued a Declaration on Strengthening Food Security and Nutrition in September 2023 to ensure rapid action on food security and nutrition in times of crises as well as strengthen the preparedness for long-term resilience and sustainability of agri-food systems.

Following the substantive conclusion for the upgrade of the Agreement of ASEAN-Australia-New Zealand Free Trade Area (Second Protocol to Amend the AANZFTA), the signing of the Second Protocol has been commenced in August 2023. The Second Protocol upgrades ensures the continued relevance of the original AANZFTA Agreement for the businesses, particularly in the face of the current global uncertainties.

Notably, three (3) new chapters have been included namely, (i) Government Procurement, (ii) MSMEs, and (iii) Trade and Sustainable Development. In term of economic cooperation, is the upgrade is expected to benefit MSMEs, promoting the use of technology, supporting digital transformation and innovative start-ups, and enabling MSMEs to seize opportunities in new areas, such as green economy.

To play a central role in the implementation of the RCEP Agreement, the Second RCEP Ministers Meeting in August 2023 endorsed the Terms of Reference (TOR) of the RCEP Support Unit. The RCEP Support Unit will facilitate and coordinate the full implementation of the RCEP Agreement.

Recognising the importance of bringing back industrial cooperation into the mainstream of ASEAN economic integration, the Ministerial Declaration on the Framework for ASEAN Industrial Project-Based Initiative (AIPBI) has been adopted in September 2023. Highlighting the important role of the industrial sector in supporting sustainable and integrated economic growth and development, the AEC Council Ministers agreed to provide priority to strategic projects that will secure ASEAN's centrality, boost competitiveness and credibility, strengthen connective resilience, and advance carbon neutral and circular economy goals.

Digital Transformation. ASEAN continues to place high importance on accelerating its digital transformation as reflected in the notable advancement made this year in key areas such as, paperless trade, financial inclusion, cross-border data flow, and digital economic agreement.

The most recent achievement is the launching of the negotiations on the ASEAN Digital Economy Framework Agreement (DEFA) in September 2023. Accompanying this, the ASEAN Leaders also issued the Leaders' Statement to Develop the ASEAN DEFA to demonstrate the commitment to accelerate ASEAN's digital transformation as a foundational strategy for economic growth and prosperity. The negotiation for the Agreement is targeted for conclusion by 2025. This groundbreaking Agreement, which will be the first major regionwide digital economy agreement in the world, aims to catapult ASEAN's potential value of digital economy up to USD 2 trillion by 2030.

On financial integration, significant progress was made to raise digital financial literacy in the region. First, the Digital Financial Inclusion Festival was conducted at the sideline of the ASEAN Finance Ministers and Central Bank Governors (AFMGM) Meeting. Second, the Implementation Guideline to Strengthen Digital Financial Literacy in ASEAN was endorsed by AFMGM to provide action-oriented guidance for policymakers in ASEAN and complement existing guidance in the ASEAN and global financial inclusion agenda.

Efforts are currently ongoing to accelerate cross-border paperless trade within the region. The full Implementation (i.e. full issuance and acceptance) of Electronic Certificate of Origin (e-Form D) in all Member States through the ASEAN Single Window (ASW) is targeted to be completed by the end of December 2023 and will support the Bandar Seri Begawan Roadmap (BSBR) goal in leveraging digital transformation.

Continuing efforts are underway to facilitate the introduction of self-driving cars in the region through the Landscape Study on Regulatory Pilot Space (RPS) aimed at enabling Cross-Border Digital Data Flows (CBDF). The Study is expected to identify the gap in the data flows required and the available service

levels. In addition, the Framework of Logistics for the Digital Economy Supply Chain for Rural Areas is expected to be completed by the end of 2023. The Framework consists of proposed agreement on harmonisation of regulations on logistics, supply chains, and MSMEs, to accelerate the implementation of digital economy supply chains in rural areas.

Sustainability. In order to safeguard the region's long-term resilience and economic competitiveness, ASEAN has been actively mainstreaming the sustainability agenda across the AEC sectoral works, from energy, finance, transportation, and standards and conformance.

The Roadmap of ASEAN Harmonised Standards to Support Sustainable Development Goals (SDGs) Implementation has been finalised at end November 2023. The Roadmap is expected to become a reference document to harmonise standards and conformance that should align with SDGs. In particular, the Roadmap will ensure a common and consistent approach in harmonisation process.

Upon the adoption of the ASEAN Leaders Declaration on Developing Regional Electric Vehicle (EV) Ecosystem in May 2023, the Study on Development of the EVs Ecosystem has been finalised in early November 2023. The Declaration reaffirms the commitment of all Member States' to the United Nations Framework Convention on Climate Change and the Paris Agreement to reduce greenhouse gas emissions. Meanwhile, the Study provides recommendations to increase the adoption of EVs and decarbonise the land transport sector within the region. This includes comprehensive analysis of policies and regulations on EVs, infrastructure, financial and technical supports for EVs, battery production technology and waste management, among other areas.

To reach a common understanding and potential of the blue economy, as well as to identify the scope of cooperation and related activities that would benefit all Member States to sustain the use of ocean resources, the ASEAN Blue Economy Framework was adopted by the Leaders in September 2023.

Several initiatives have been undertaken to bolster sustainable finance in the region. A significant milestone in this area is the publication of the ASEAN Taxonomy for Sustainable Finance (Version 2) in March 2023. The Second Version represent notable development on the guiding questions, decision trees and use cases that address all environmental objectives and essential criteria, and allows any Member States to apply the framework to immediately embark on its sustainability journey in a consistent and structured manner.

In August 2023, the ASEAN Meeting of the Energy Ministers (AMEM) adopted the Joint Declaration on Sustainable Energy Security Through Interconnectivity. The Joint Declaration aims to reaffirm ASEAN's commitment to pursue sustainable energy security through its flagship projects and to provide an aspirational timeline/target for all Member States' interconnection through the ASEAN Power Grid.

Furthermore, the ASEAN Strategy for Carbon Neutrality was adopted in September 2023 by the AEC Councils Ministers to ensure ASEAN remains competitive and progressive amidst the increasing global climate action. The Strategy will set out the pathway to accelerate the region's transition towards a low-carbon future, leveraging the region's strengths and complementarities among all Member States that will complement their Nationally Determined Contribution (NDCs) goal.

ASEAN MEMBER STATES: SELECTED KEY INDICATORS 2022



Economy

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
GDP at current price (USDb)	16.7	29.6	1,317.3	15.0	407.0	61.0	404.3	466.7	495.3	408.7	3,621.6
GDP per capita (USD)	37,445.9	1,758.0	4,777.5	2,022.0	12,448.0	1,093.2	3,623.5	82,794.0	7,494.4	4,109.1	5,391.8
Real GDP growth (%)	(1.6)	4.8	5.3	4.4	8.7	2.8	7.6	3.6	2.6	8.0	5.6
Inflation rate, average (%)	3.7	5.3	4.2	23.0	3.3	24.1	5.8	6.1	6.1	3.2	5.1



Trade

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Total trade in goods (USDm)	23,340.4	50,748.2	529,351.3	17,179.8	654,862.3	34,486.8	224,109.9	990,117.4	592,288.1	729,698.0	3,846,182.4
- Intra-ASEAN (%)	38.7	28.1	21.1	60.0	27.1	40.6	24.9	25.7	21.7	11.1	22.3
- Extra-ASEAN (%)	61.3	71.9	78.9	40.0	72.9	59.4	75.1	74.3	78.3	88.9	77.7
- Total exports (USDm)	14,007.3	20,750.5	291,904.3	9,563.9	356,901.0	17,083.5	78,977.6	514,873.7	287,165.3	370,909.2	1,962,136.2
- Total imports (USDm)	9,333.2	29,997.8	237,447.1	7,615.9	297,961.3	17,403.4	145,132.4	475,243.7	305,122.8	358,788.8	1,884,046.2
Total trade in services (USDm)	1,411.5	5,071.6	66,793.0	934.4	76,577.8	4,963.3	66,508.8	549,777.1	101,760.0	61,782.8	935,580.3
- Total exports (USDm)	281.6	2,317.9	23,375.9	406.1	31,880.1	2,828.1	41,070.1	291,206.3	38,901.0	34,304.8	466,571.9
- Total imports (USDm)	1,129.9	2,753.6	43,417.2	528.3	44,697.7	2,135.2	25,438.7	258,570.7	62,859.0	27,478.0	469,008.4



Investment

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Total FDI inward flows (USDm)	(284.4)	3,578.8	22,115.9	635.8	17,095.8	2,980.9	9,366.0	141,187.2	11,218.0	17,899.9	225,794.0
- Intra-ASEAN (USDm)	82.6	489.8	7,340.8	161.2	3,202.0	1,495.1	651.7	6,171.3	4,009.3	4,477.5	28,081.2
- Extra-ASEAN (USDm)	(366.9)	3,089.0	14,775.2	474.6	13,893.8	1,485.8	8,714.3	135,015.9	7,208.7	13,422.4	197,712.8



Socio Demography

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Population ('000)	445.4	16,843.3	275,719.9	7,442.8	32,698.1	55,770.2	111,572.3	5,637.0	66,090.0	99,461.7	671,680.7
Unemployment rate (%)	5.2	1.0	5.9	2.4	3.9	2.5	5.4	2.9	1.3	2.1	4.2
Life expectancy (year)	76.4	73.3	71.9	67.0	73.4	67.1	72.7	83.0	76.2	73.6	72.2



Connectivity

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
Internet subscribers per 100 persons	98.1	60.2	77.0	60.0	97.4	44.0	52.7	96.0	86.7	78.6	72.0
Cellular phones per 100 persons	100.0	116.3	67.9	65.0	98.2	110.9	144.0	91.3	88.0	140.0	99.6
Visitor arrivals ('000)	35.7	2,276.6	5,471.3	1,291.6	10,071.0	233.5	2,653.9	6,305.7	11,153.0	3,661.2	43,153.5
- Share Intra-ASEAN to total visitor arrivals (%)	60.1	70.4	38.7	87.1	80.8	10.8	7.1	44.2	40.6	25.0	49.7
- Share Extra-ASEAN to total visitor arrivals (%)	39.9	29.6	61.3	12.9	19.2	89.2	92.9	55.8	59.4	75.0	50.3

Source: ASEAN Secretariat

Notes: - The latest available life expectancy data for Thailand is 2020, Philippines is 2015.

- Data for internet subscribers data for Brunei Darussalam, Cambodia, Lao PDR, Myanmar, Philippines are from 2021 ITU Database.

- Data for cellular phone data for Cambodia, Lao PDR, Philippines, Viet Nam are from ITU Database.

- ASEAN Inflation figure is taken from ADB: Asian Development Outlook, September 2023, Include Timor Leste.

ASEANstats data and its statistical publications can be accessed at: <http://www.aseanstats.org/>

The Association of Southeast Asian Nation (ASEAN) was established on 8 August 1967. The Member States are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

For inquiries, contact:

The ASEAN Secretariat

ASEAN Integration Monitoring Directorate (AIMD) and Community Relations Division (CRD)

70A, Jalan Sisingamangaraja, Jakarta 12110, Indonesia

Phone: (62 21) 724-3372, 726-2991

Fax: (62 21) 739-8234, 724-3504

E-mail: aimo@asean.org, public@asean.org

Website: www.asean.org

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