

# ASEAN-JAPAN BUSINESS WEEK

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Chair of ASEAN Business Advisory Council (ASEAN-BAC)

Tokyo, June 5, 2023

POWERED BY:

# THE RELATIONSHIP BETWEEN ASEAN AND JAPAN HAS BEEN LONG AND HISTORICAL

1973

ASEAN-Japan relations began with the establishment of the Forum on Synthetic Rubber

1977

1st ASEAN-Japan Summit and declaration of the Fukuda Doctrine

2008

Entry into force of the ASEAN-Japan Comprehensive Economic Partnership Agreement (AJCEP)

2011

Establishment of the Mission of Japan to ASEAN in Jakarta

2023

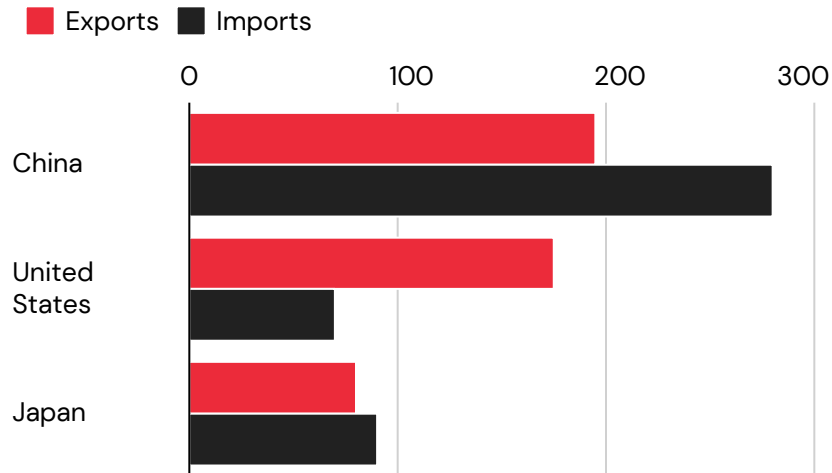
ASEAN-Japan Relations celebrates its 50-year anniversary



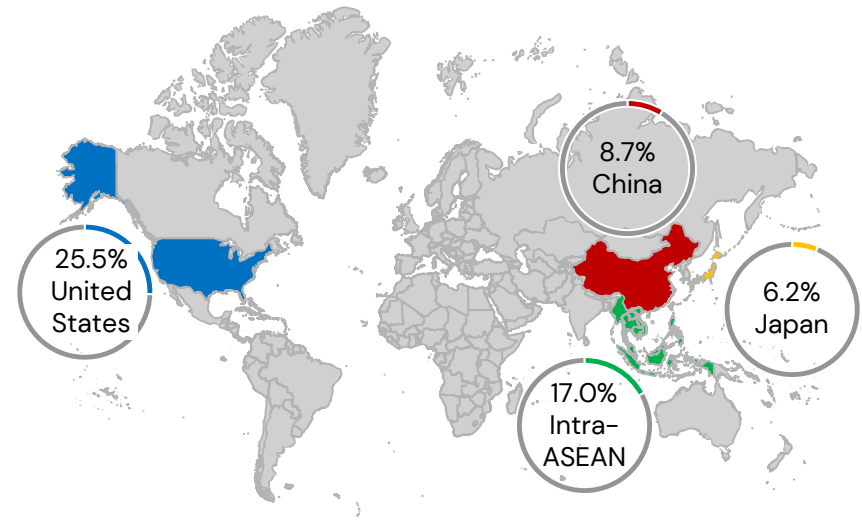
# THE STRENGTH AND DEPTH OF ASEAN AND JAPAN RELATIONSHIP CONTINUE TO FLOURISH

Japan is one of ASEAN's top 3 trading partners and FDI source

ASEAN trade in goods, 2021; USD bn



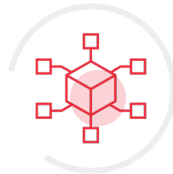
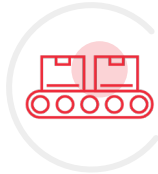
ASEAN FDI inflows, 2020; by percentage



# DURING THE RECENT G7 SUMMIT, JAPAN EMPHASIZED ASEAN'S VITAL ROLE AS A CRUCIAL PARTNER

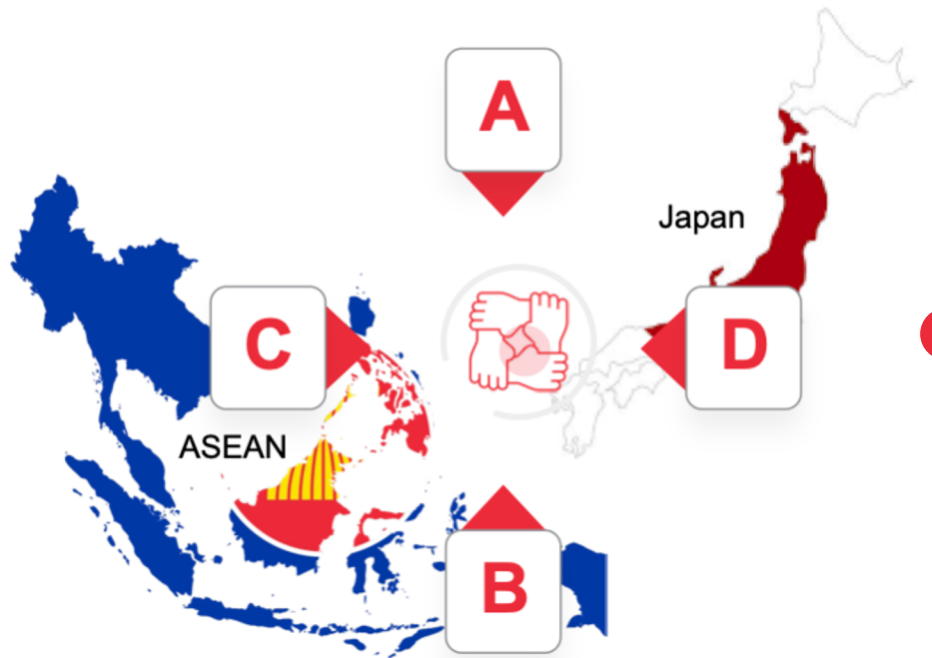


# ASEAN HAS CONSISTENTLY HELD A PLACE OF IMPORTANCE IN JAPAN'S FOREIGN RELATIONS




- 1 ASEAN is of pivotal importance for Japan's manufacturing industries as the core of their overseas production bases
- 2 ASEAN extensive network of global supply chains encompassing the whole region not only contributes to its sustained growth but is also the source of Japanese companies' international competitiveness
- 3 ASEAN non-manufacturing sectors are also actively expanding, supporting the manufacturing industries through logistics, financial, insurance, and other services


# NEW CHALLENGES REQUIRED ASEAN AND JAPAN TO BOLSTER THEIR RELATIONSHIP FURTHER



**A**  **Ongoing Geopolitical Tensions**  
Strong headwinds from U.S.–China rivalry and Russia–Ukraine war

**B**  **Post Pandemic Era**  
Pandemic reshape global supply chains, alter consumer behavior, and shift trade policies

**C**  **Environmental concerns and sustainability**  
Advancement of green industries, integration of eco–friendly solutions and new policies

**D**  **Digitalization and e-commerce**  
Capitalize on e-commerce and digitalization to advance trade agenda, and foster economic integration

# CAPITALIZING ON KEY ENABLERS, ASEAN STRIVES TO ESTABLISH ITSELF AS EPICENTER OF GLOBAL GROWTH



## 1 Economy Resilience

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Economies are projected to grow at 5% CAGR



## 2 Demographic Dividend

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Third largest labor market globally



## 3 Digitally Promising

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The digital economy is projected to reach approximately \$330 bn by 2025



## 4 Green Economy Prospects

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Natural resources advantage

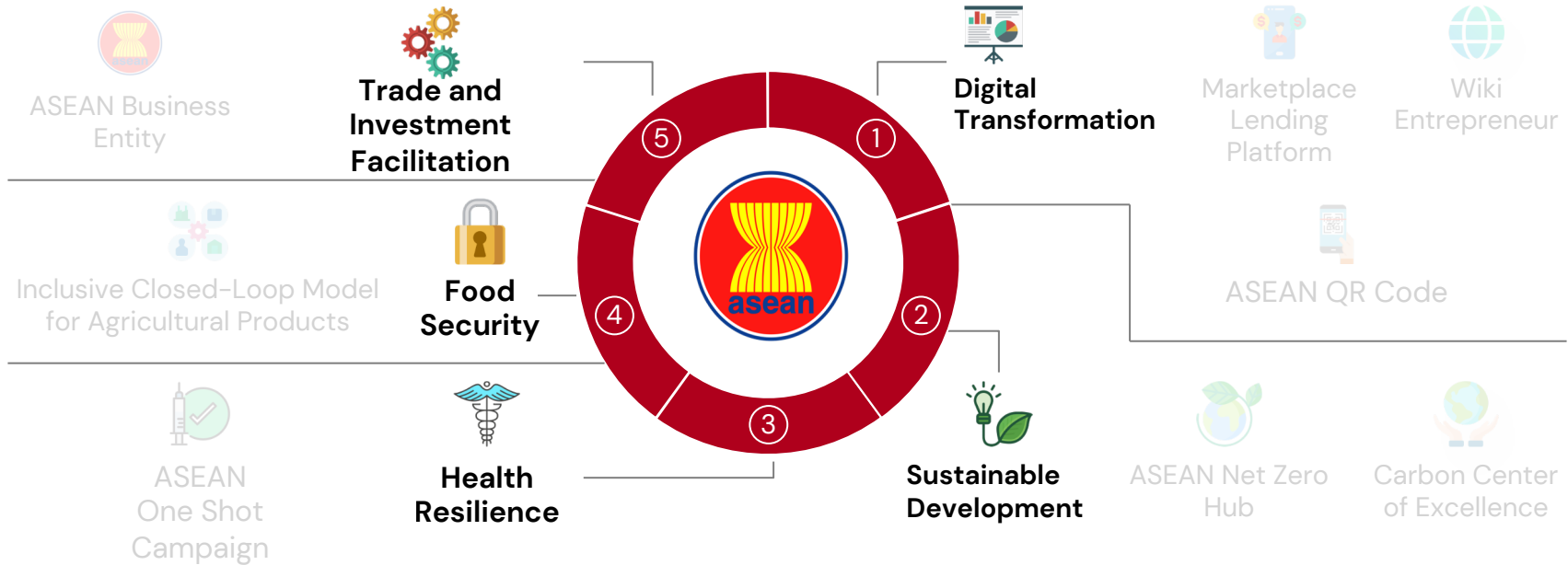


## 5 Vast Consumer Base

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Rising middle class offers long-term potential

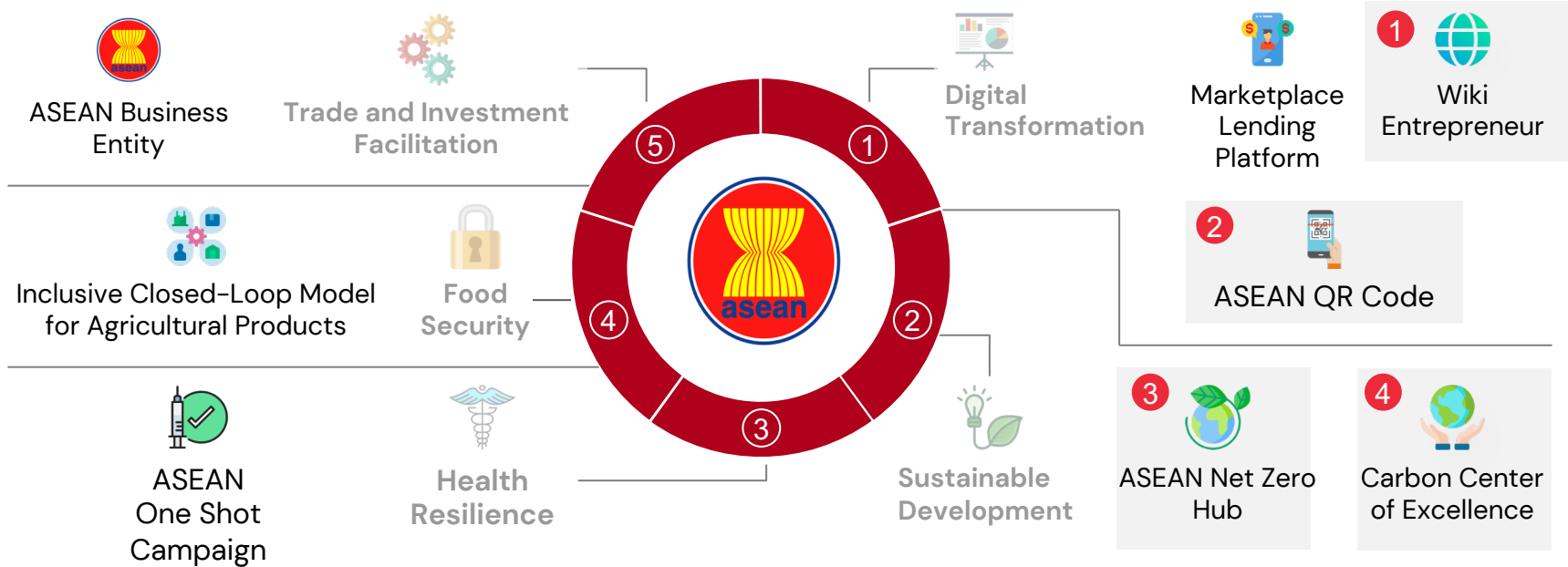
# ASEAN BUSINESS ADVISORY COUNCIL (ASEAN-BAC) COMPLEMENTS THIS VISION, FOCUSING ON FIVE KEY PILLARS FOR POLICY ADVOCACY





# ASEAN-BAC IS ALSO DEVELOPING EIGHT LEGACY PROJECTS

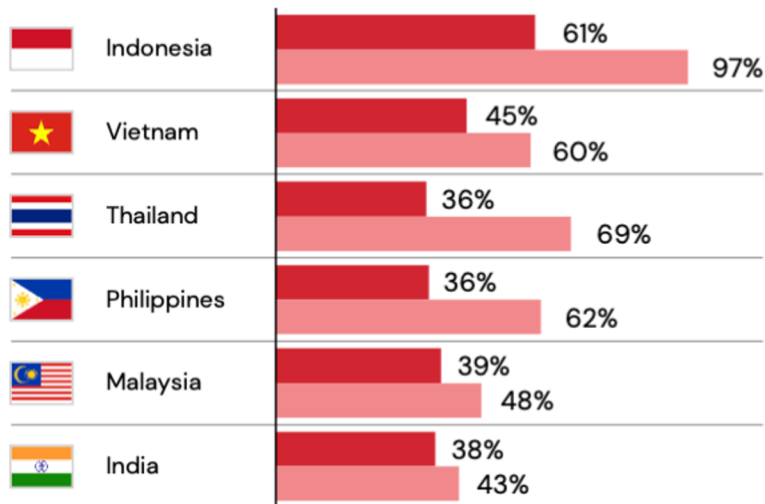
● Elaborated upon on the following page



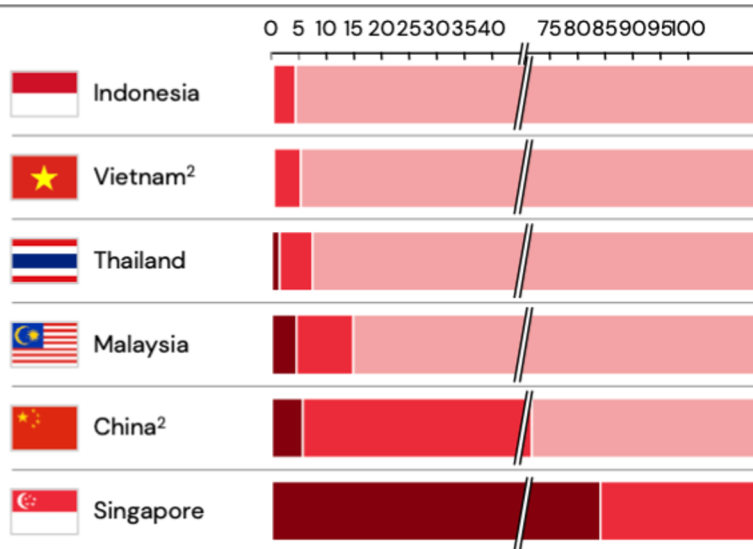
# MSMEs ARE VITAL TO THE ASEAN ECONOMY HOWEVER, THEY ENCOUNTER OBSTACLES THAT LIMIT THEIR REVENUE POTENTIAL

■ GDP P ■ t ■ Micro & Small ■ Medium ■ Small and medium ■ Large

% of total GDP & employment, 2019

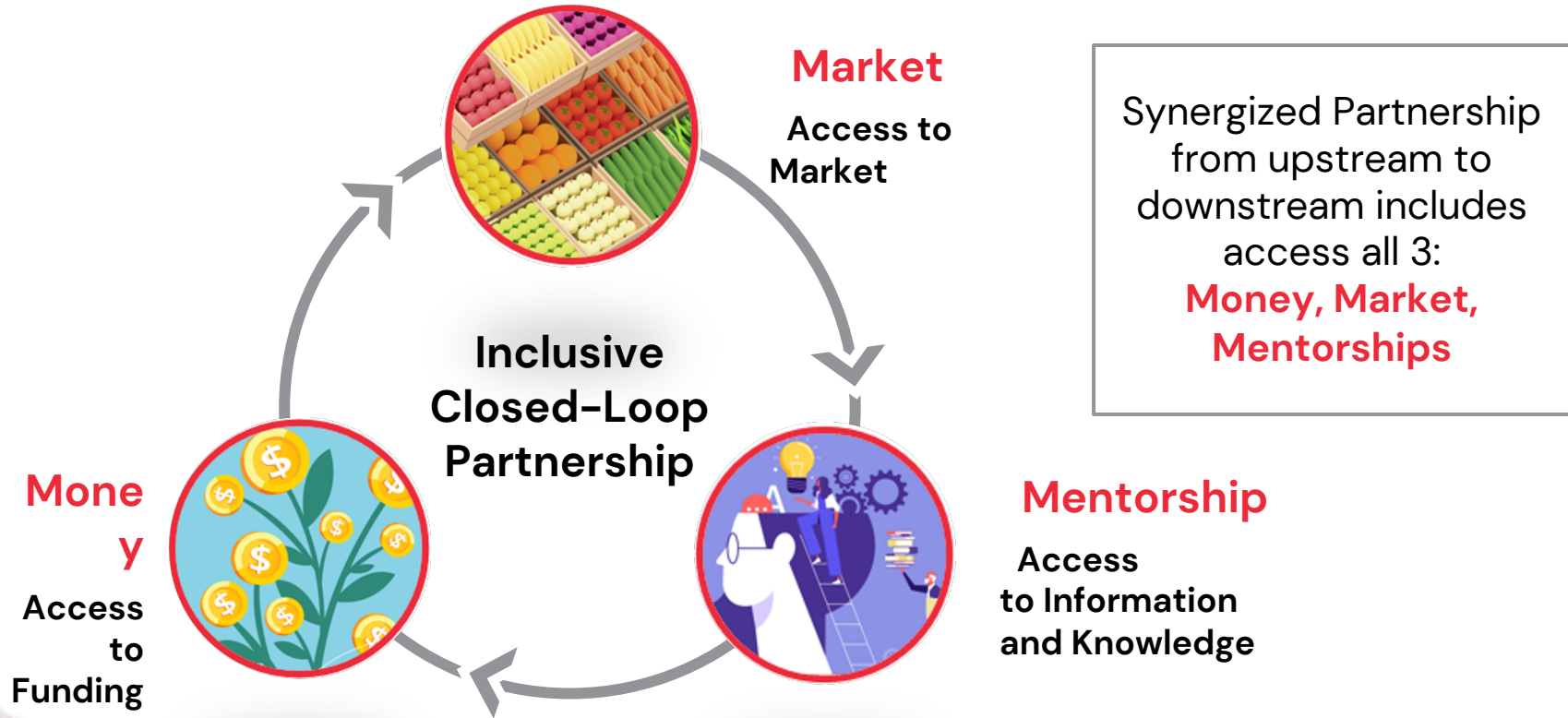


Range of revenue, USD Mn




















1. Ministry of MSME Indonesia, 2018  
 2. Based on 30 Aug article titled "The digital archipelago" McKinsey report, 2018

# OVERCOMING THE CHALLENGES, MSMES NEED TRI-FACETED SUPPORT

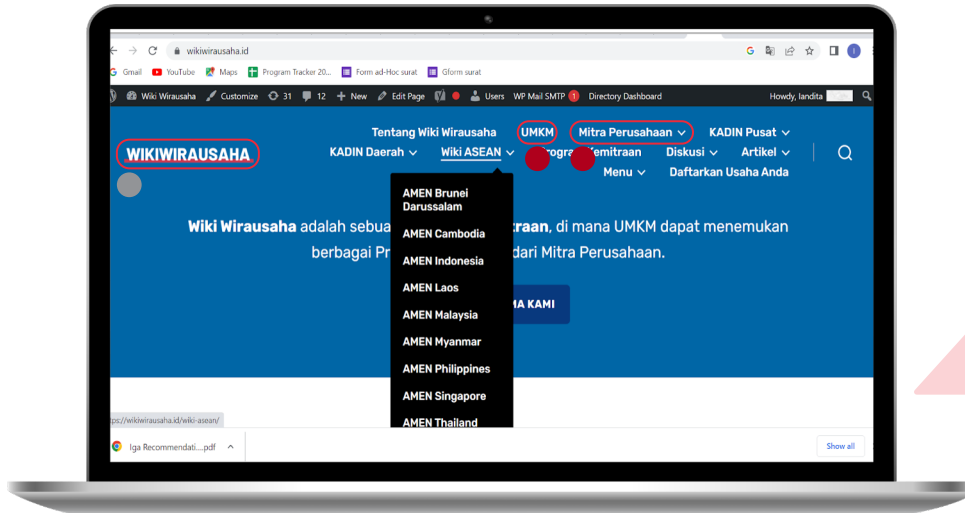


# MANY ORGANIZATIONS OFFER SME SUPPORT PROGRAMS, BUT THE INFORMATION IS NOT CENTRALIZED

Illustrative, Indonesia examples

	Companies	Government	Association, NGOs, Social Enterprise
<b>C Money</b>	 <p>MSME financing products incl. KUR &amp; Xpora</p>	 <p>Ultra Micro Financing (UMI)</p>	  <p>P2P lending for MSMEs</p>
<b>A Market Access</b>	  <p>E-Commerce platform for agri products</p>	  <p>MSME marketplace</p>	  <p>wikiexport.jp</p>
<b>C Mentorship</b>	 <p>Online training platform for financial literacy</p>	 <p>Digital entrepreneurship academy</p>	 <p>Training on the basics of exporting</p>
<b>D Inclusive Closed Loop</b>			 

# ADDRESSING THE ISSUE, WIKI ENTREPRENEUR SERVES AS A DIRECTORY OF AVAILABLE SUPPORT PROGRAMS



One-Stop Solution for ASEAN CSR Matchmaking and MSME Excellence



Wiki Entrepreneur adopts the success of crowdsourcing

- **Wiki Entrepreneur** Wiki Entrepreneur build upon existing platforms launched across ASEAN countries
- **Registered companies** could edit their page with their latest CSR programs and find suitable MSMEs to partner
- **Registered MSMEs** could edit their profile, search for suitable partnership programs and directly connect with the sponsoring companies, join live discussions, and access wealth of info to grow their business

# FIVE KEY FACTORS PUSHED QR CODE PAYMENTS ADOPTION AND POPULARITY ACROSS THE SEA REGION



1

## Rising Smartphone penetration

High smart phone penetration being a key factor enabling both consumers and merchants to adopt E-wallets



2

## Proactive regulatory push

Push from government and regulators in driving cashless society & financial inclusion through digitization



3

## The driving role of FinTechs

High investment and efforts by FinTechs/start-ups to build QR merchant network and drive adoption through promotions and cashbacks



4

## Rapid growing digital economy

Specific digital economy sectors like Food delivery, ride hailing, E-commerce, etc. drive adoption and usage of e-wallets

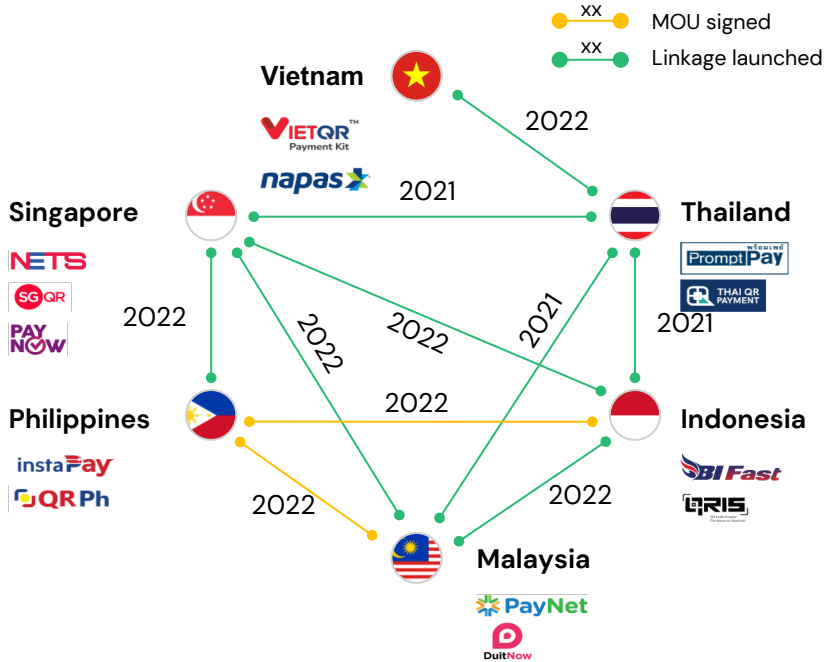


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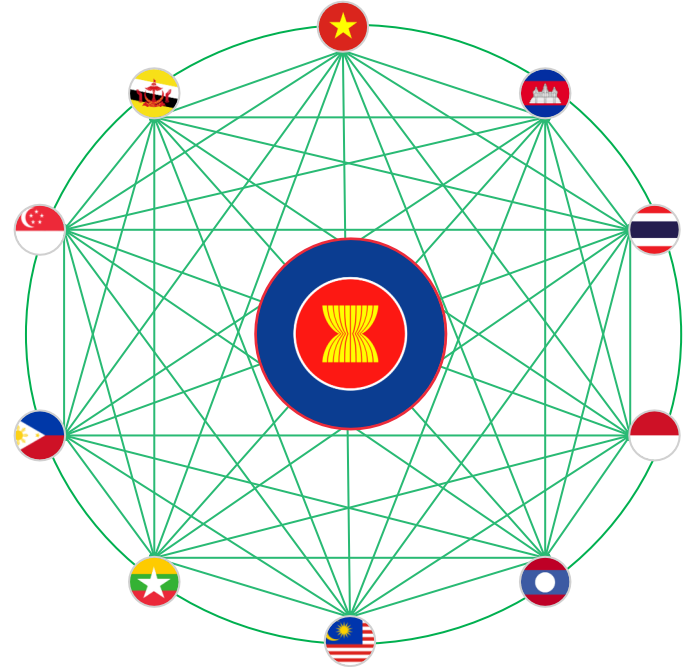
## Impact of Covid-19 pandemic

Covid-19 pandemic has boosted the use of digital and contactless payments in the region

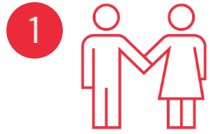
# ASEAN COUNTRIES HAVE INITIATED BILATERAL RTP LINKAGES...



# ... COUPLED WITH THE ASEAN QR CODE, AN INTERCONNECTED PAYMENT NETWORK CAN BE ESTABLISHED



# THE ASEAN QR LEGACY PROGRAM CARRIES FOUR SPECIFIC OBJECTIVES



## **Inclusive: Mutual commitment, flexible implementation**

Common agreement to develop ASEAN QR for more streamlined, faster, cheaper, transparent, and inclusive cross-border payments



## **Scalable: Tech & Vendor Agnostic**

The standard development should adopt a technology-neutral approach to ensure flexibility, interoperability, and encourage innovation



## **Citizen Centric: Direct Benefits to Citizen**

ASEAN QR provides direct benefits to AMS citizens, especially consumers, MSMEs and the tourism industry



## **Regional Identity building**

Direct impact of ASEAN QR to the day-to-day citizen's life will increase awareness and meaningfulness of the ASEAN region

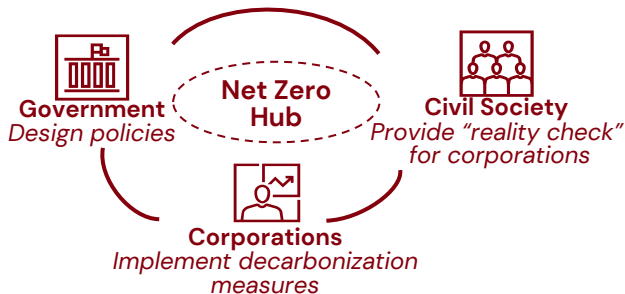


# ASEAN NET ZERO HUB AND CARBON CENTER OF EXCELLENCE

## 1 ASEAN Net Zero Hub (ANZH)

**Purpose:** ANZH is intended to be an enabling platform for stakeholders to **share knowledge and best practices** as they work to achieve net zero.

### Key stakeholders



### Priority focus areas

1. Transformative gov't policies as enablers
2. Innovating or adopting existing solutions
3. Decarbonization key to sustained growth

## 2 ASEAN Carbon Center of Excellence (CCoE)

**Purpose:** to achieve net zero, businesses must work to reduce carbon emissions, consider growth strategy focused on green industries, and **offset remaining carbon emissions**. ASEAN CCoE is intended to be an enabling platform for stakeholders to **share knowledge and best practices** relating to the **carbon market and carbon trading** to promote common standards across ASEAN

**Knowledge hub**  
*Educate the market players*

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**Practice sharing center**  
*Share best practices*

Key features description	End-state output	Target output
<ul style="list-style-type: none"> <li>• <b>Curated knowledge repository for carbon actors</b> (buyers, sellers, investors)</li> </ul>	<ul style="list-style-type: none"> <li>• Online knowledge and information platform</li> </ul>	<ul style="list-style-type: none"> <li>• Online modules developed in partnership with BNEF</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Share success stories that convene multiple angles</b> of experiences and knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Regular online or offline offline seminars</li> <li>• Online platform</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly hold online practice sharing session</li> </ul>



# ASEAN - JAPAN ALIGNMENT



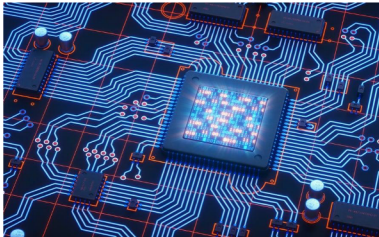
## Cultivating Robust Infrastructure

Japan has been pivotal in initiating projects, with a major emphasis on strengthening global supply chains through strategically positioned production facilities in the region



## Achieving Sustainable Development

Collaboration on handling of climate change, aiming for a carbon-neutral society, and creating societies with minimal environmental impact



## Leveraging Digital Tech

Japanese businesses are joining forces with ASEAN startups to craft products, services, and solutions adapted to regional requirements



## Empowering Human Capital

Japanese firms have a long history of investing in the human resources of ASEAN as a pillar for growth

# WE SUPPORT THE ESTABLISHMENT OF ASEAN JAPAN YOUNG BUSINESS LEADERS TO SECURE OUR FUTURE

## ASEAN BAC envisions the program as :

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A pool of young high-performing individuals who have been selected to undertake ambitious transformation goals, driving significant changes within their respective companies that will also positively affect the broader community



## And this program has two core objectives:

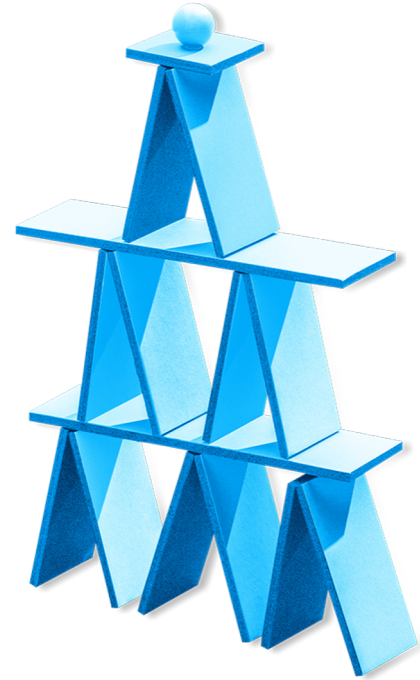
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Develop high performers into future business talent



To turbocharge the transformation



# Indonesia's ASEAN-BAC Chairmanship Strategic Events Leading to ABIS/ABA 2023



# ASEAN-BAC INDONESIA'S CHAIRMANSHIP 2023 ACCOUNT REGISTRATION FOR PUBLIC

## REGISTRATION FLOW:

1. **Register an account** through our official website <https://aseanbacindonesia.id/>.
2. **Fill in your personal information.**
3. After your account is verified, you will **receive an email confirmation** of your account status.
4. **Complete your profile and place an RSVP to any events** you want to attend at the ASEAN-BAC Indonesia's Summit 2023.

Further details on the registration steps, please refer to our [Guidelines for Account Registration](#).

## ACCOUNT REGISTRATION GUIDELINES FOR PUBLIC





ASEAN  
INDONESIA  
2023 



ASEAN INDONESIA  
2023  
BUSINESS ADVISORY COUNCIL

POWERED BY:



INDONESIAN CHAMBER OF  
COMMERCE AND INDUSTRY