



**MEMORANDUM**

FOR : The Directors  
Environmental Management Bureau  
Biodiversity Management Bureau  
Forest Management Bureau  
Mines and Geosciences Bureau

FROM : The OIC-Director, Policy and Planning Service

SUBJECT : **REQUEST FOR INPUTS ON SUBMISSION OF PRIVATE  
SECTOR PACKAGE OF RECOMMENDATIONS: A  
PATHWAY TO RECOVERY AND HOPE FOR ASEAN**

DATE : **15 SEP 2020**

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This refers to the email from the Office of the President – Appointments Office requesting for feedback on the submission of Private Sector Package of Recommendations: A Pathway to recovery and hope for ASEAN.

Due to the COVID-19 pandemic, the ASEAN Region experienced an economic downturn. The ASEAN Business Advisory Council has submitted a package of recommendations to revive the ASEAN Economy while dealing with COVID-19 entitled, “A Pathway to Recovery and Hope for ASEAN.”

In this regard, may we request for any feedback or update on actions or future plans regarding recommendation nos. 111, 117b, 146-147, 172, and 180-182. You may submit advance copies of your inputs thru email ([psddivision@gmail.com](mailto:psddivision@gmail.com)).

For your information and appropriate action, please.

  
**MELINDA C. CAPISTRANO**



Office of the Secretary &lt;osec@denr.gov.ph&gt;

## [REFERRAL] Private Sector Package of Recommendations: A Pathway to Recovery and Hope for ASEAN

1 message

PRRD Appointments Office &lt;prrdappointments@gmail.com&gt;

Mon, Aug 3, 2020 at 12:24 PM

To: iatfsecretariat@gmail.com, "Francisco T. Duque III" <ftduque@doh.gov.ph>, Karlo Alexei Nograles <cabseckarlonograles@gmail.com>, DENR Office of the Secretary <osec@denr.gov.ph>, DILG-OSEC Appointments Office <dilgosec.appointmentsoffice@gmail.com>, "Eduardo M. Año" <emano@dilg.gov.ph>, OSEC DND <osec301@gmail.com>  
 Cc: "Ma. Pauline Deveraturda" <mpdeveraturda.doh@gmail.com>, CONRADO BENJAMIN AYLLON <maoayllon.doh@gmail.com>, Receiving OSEC <dohosecreceiving2019@gmail.com>, karen musni <kay4580@yahoo.com>, gavinedjawan@yahoo.com, steffani cacho <steffanicacho@yahoo.com>, catrice butterworth <cmb.osec@gmail.com>

Dear IATF:

This refers to the letter of Mr. Jose M.S. Araneta Concepcion to the President conveying the message of Dr. Doan Duy Khuong regarding the submission of a recommendation package to the ASEAN Leaders in response to COVID-19 pandemic and plan towards inclusive and sustainable economic recovery for ASEAN.

In this regard, may we please refer this matter to your office for appropriate action.

Furthermore, we would appreciate receiving any feedback or update on the actions taken by your office regarding this request through email at prrdappointments@gmail.com.

Kindly acknowledge receipt.

Thank you.

Respectfully yours,

Patrick

### Office of the President - Appointments Office

2/F Premier Guest House, Malacañang Compound  
 JP Laurel Street, San Miguel, Manila  
 Phone: (+63 2) 8784 4286 local 6631/ 6633/ 6732  
 Email: prrdappointments@gmail.com

----- Forwarded message -----

From: **Gianina Napo** <gianinajoy.pce@gmail.com>

Date: Mon, Jul 27, 2020 at 2:33 PM

Subject: [ASEAN BAC] Private Sector Package of Recommendations: A Pathway to Recovery and Hope for ASEAN

To: PRRD Appointments Office <prrdappointments@gmail.com>

Cc: Joey Concepcion <jaconcepcion@mac.com>, <michael.tan@asia-brewery.com>, George Barcelon <gtbmn@gmail.com>, Aeron Christian Morado PCE <aeron.pce@gmail.com>, Eva Pasagui <evapasagui.pce@gmail.com>, Claire Intervalo <claireintervalo.pce@gmail.com>

His Excellency

**Rodrigo Roa Duterte**

President of the Republic of the Philippines

**Subject: Submission of Private Sector Package of Recommendations entitled A PATHWAY TO RECOVERY AND HOPE FOR ASEAN**

Excellency,

May I respectfully transmit the attached letter from ASEAN BAC 2020 Chair Dr. Doan Duy Khuong to Your Excellency conveying a package of recommendations to the ASEAN Leaders put together by the ASEAN Business Advisory Council, together with our partner Joint Business Councils and Sector Champions entitled "A Pathway to Recovery and Hope for ASEAN".

8/12/2020

Department of Environment and Natural Resources Mail - [REFERRAL] Private Sector Package of Recommendations: A Pathway to...

As promised during our June 26, 2020 video conferencing dialogue, a follow up submission will be made bearing the more detailed set of proposals and underlying specifications of our summarized presentation to the ASEAN Leaders.

We do hope that this commitment and huge effort by the private business sector to work closely with ASEAN will help us navigate our way safely and swiftly out of this pandemic towards a stronger, more inclusive and sustainable economic recovery for ASEAN.

With profound gratitude for your continued support of ASEAN BAC.

Sincerely,

Jose M.S. Araneta Concepcion  
ASEAN-BAC Philippines Chair

--  
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**3 attachments**

 **Transmittal Letter\_Philippines.pdf**  
445K

 **ASEAN BAC Letter\_Philippines.pdf**  
448K

 **ABAC OOA Version 15-final.pdf**  
6153K



## ASEAN Business Advisory Council



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July 25, 2020

His Excellency

**Rodrigo Roa Duterte**

President of the Republic of the Philippines

**Subject: Submission of Private Sector Package of Recommendations entitled A PATHWAY TO RECOVERY AND HOPE FOR ASEAN**

Excellency,

May I respectfully transmit the attached letter from ASEAN BAC 2020 Chair Dr. Doan Duy Khuong to Your Excellency conveying a package of recommendations to the ASEAN Leaders put together by the ASEAN Business Advisory Council, together with our partner Joint Business Councils and Sector Champions entitled "A Pathway to Recovery and Hope for ASEAN".

As promised during our June 26, 2020 video conferencing dialogue, a follow up submission will be made bearing the more detailed set of proposals and underlying specifications of our summarized presentation to the ASEAN Leaders.

We do hope that this commitment and huge effort by the private business sector to work closely with ASEAN will help us navigate our way safely and swiftly out of this pandemic towards a stronger, more inclusive and sustainable economic recovery for ASEAN.

With profound gratitude for your continued support of ASEAN BAC.

Sincerely,

A handwritten signature in black ink, appearing to read "Jose M.S. Araneta", written over a horizontal line.

Jose M.S. Araneta Concepcion  
ASEAN-BAC Philippines Chair



## ASEAN Business Advisory Council



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July 23, 2020

His Excellency  
**Rodrigo Roa Duterte**  
President  
Government of the Republic of the Philippines

**Subject: Submission of Private Sector Package of Recommendations entitled A PATHWAY TO RECOVERY AND HOPE FOR ASEAN**

Excellency,

On behalf of the ASEAN Business Advisory Council, together with our partner Joint Business Councils and Sector Champions, we are pleased to formally transmit to Your Excellency this package of recommendations entitled "A Pathway to Recovery and Hope for ASEAN".

As promised during our June 26, 2020 video conferencing dialogue, a follow up submission will be made bearing the more detailed set of proposals and underlying specifications of our summarized presentation to Your Excellency and to the rest of the ASEAN Leaders.

We profoundly thank the positive consideration and encouragement that the ASEAN Chair and Prime Minister of Vietnam **Nguyen Xuan Phuc** and the other Leaders accorded to ASEAN BAC and our proposals during our dialogue. We deeply share the sincere desire and resolve of the ASEAN Leaders to get out of this pandemic sooner, together and stronger.

In direct and swift response to the Leaders Declaration's call to save lives and livelihoods and work towards a sustainable economic recovery plan, we reiterate our readiness to work with ASEAN to process these recommendations in the immediate possible time.

It is our strong belief, that only by working closely together -- both private and public institutions as genuine partners -- can we achieve faster and sweeping transformation towards a healthier, more globally competitive, more cohesive and more responsive ASEAN.

With profound gratitude for your esteemed leadership and guidance.

Sincerely,

Dr. Doan Duy Khuong  
Chair  
ASEAN BAC 2020

CC: H.E. Dato Lim Jock Hoi, Secretary General, ASEAN Secretariat



ASEAN BUSINESS ADVISORY COUNCIL,  
JOINT BUSINESS COUNCILS  
& SECTOR CHAMPIONS  
IN RESPONSE TO COVID-19 PANDEMIC

The ASEAN Business Advisory Council (ASEAN BAC) was launched in April 2003 to provide private sector feedback and guidance to boost ASEAN's efforts towards economic integration. ASEAN BAC was mandated to be the Apex Private Sector Body by the ASEAN Leaders under the Strategic ASEAN Economic Community Blueprint 2025, which was launched in 2015. The members are ASEAN BAC chapters from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.

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<https://www.asean-bac.org/>

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# **A PATHWAY TOWARDS RECOVERY AND HOPE FOR ASEAN**

RECOMMENDATIONS FROM  
ASEAN BUSINESS ADVISORY COUNCIL,  
JOINT BUSINESS COUNCILS  
& SECTOR CHAMPIONS  
IN RESPONSE TO COVID-19 PANDEMIC



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July 23, 2020

**His Excellency Nguyen Xuan Phuc**  
Prime Minister  
Government of the Socialist Republic of Vietnam  
Chair of ASEAN 2020

Your Excellency,

**Submission of Private Sector Package of Recommendations entitled PATHWAY TOWARDS RECOVERY AND HOPE FOR ASEAN**

On behalf of the ASEAN Business Advisory Council, together with our partner Joint Business Councils and Sector Champions, we are pleased to formally transmit to Your Excellency this package of recommendations entitled **"A Pathway to Recovery and Hope for ASEAN"**.

As promised during our June 26, 2020 video conferencing dialogue, a follow up submission will be made bearing the more detailed set of proposals and underlying specifications of our summarized presentation to Your Excellency as Chair of ASEAN and to the rest of the ASEAN Leaders.

We profoundly thank Your Excellency for the positive consideration and encouragement that you as Chair and the other Leaders accorded to my Council and our proposals during our dialogue. We deeply share the sincere desire and resolve of the ASEAN Leaders to get out of this pandemic sooner, together and stronger.

In direct and swift response to the Leaders Declaration's call to save lives and livelihoods and work towards a sustainable economic recovery plan, we reiterate our readiness to work with ASEAN to process these recommendations in the immediate possible time.

It is our strong belief, that only by working closely together – both private and public institutions as genuine partners – can we achieve faster and sweeping transformation towards a healthier, more globally competitive, more cohesive and more responsive ASEAN.

With profound gratitude for your esteemed ASEAN leadership and guidance.

Sincerely,

Dr. Doan Duy Khuong  
Chair  
ASEAN BAC 2020

CC: H.E. Dato Lim Jock Hoi, Secretary General, ASEAN Secretariat

## FOREWORD

The seizure in both supply and demand caused by measures taken to contain the Covid-19 pandemic threw the world into negative economic growth with upcoming deep global recession.

Countervailing massive stimulus measures to restart economic activity face three main challenges. First, restoration of confidence in an economic environment where movement of people, goods and services is still controlled as the pandemic is not tamed and poses the threat of a second wave even in countries that have managed well the spread of the virus. Even where countries have tentatively opened up, the borders between them are still closed.

Second, the fiscal measures and monetary easing to provide relief to individuals and companies will not necessarily result in productive investment and enhanced consumption in a situation where confidence is low. On the contrary, in the large economies investments are flowing into financial assets with the risk of creating bubbles that will burst. A crash in financial markets will only add to the challenges facing the real economy.

Third, the sustainability of the huge fiscal measures will become a big issue, especially in less developed economies without the luxury of printing money to finance large deficits. Attacks on the currency of developing countries at a time when they are already struggling to get their economies going again will add to the problems they have to manage. At the same time, monetary measures to provide relief to companies facing severe cash flow problems during the pandemic carry the risk of causing a banking crisis as soon as banks without sufficient capital buffers suffer losses from non-performing loans. The deadly combination of a financial and banking crisis, on top of the crisis in the real economy, would be the perfect storm that will severely damage all prospect of recovery from the devastation caused by the Covid-19 pandemic.

**We fully believe all necessary decisions need to be made fast and can only be made through the establishment of an ASEAN High Level Special Commission (AHLSC). We offer to assist the AHLSC by setting up the Special Business Advisory Board (SBAB) so that the public and private sector can work together to revive the ASEAN economy and to plan its further expansion.**

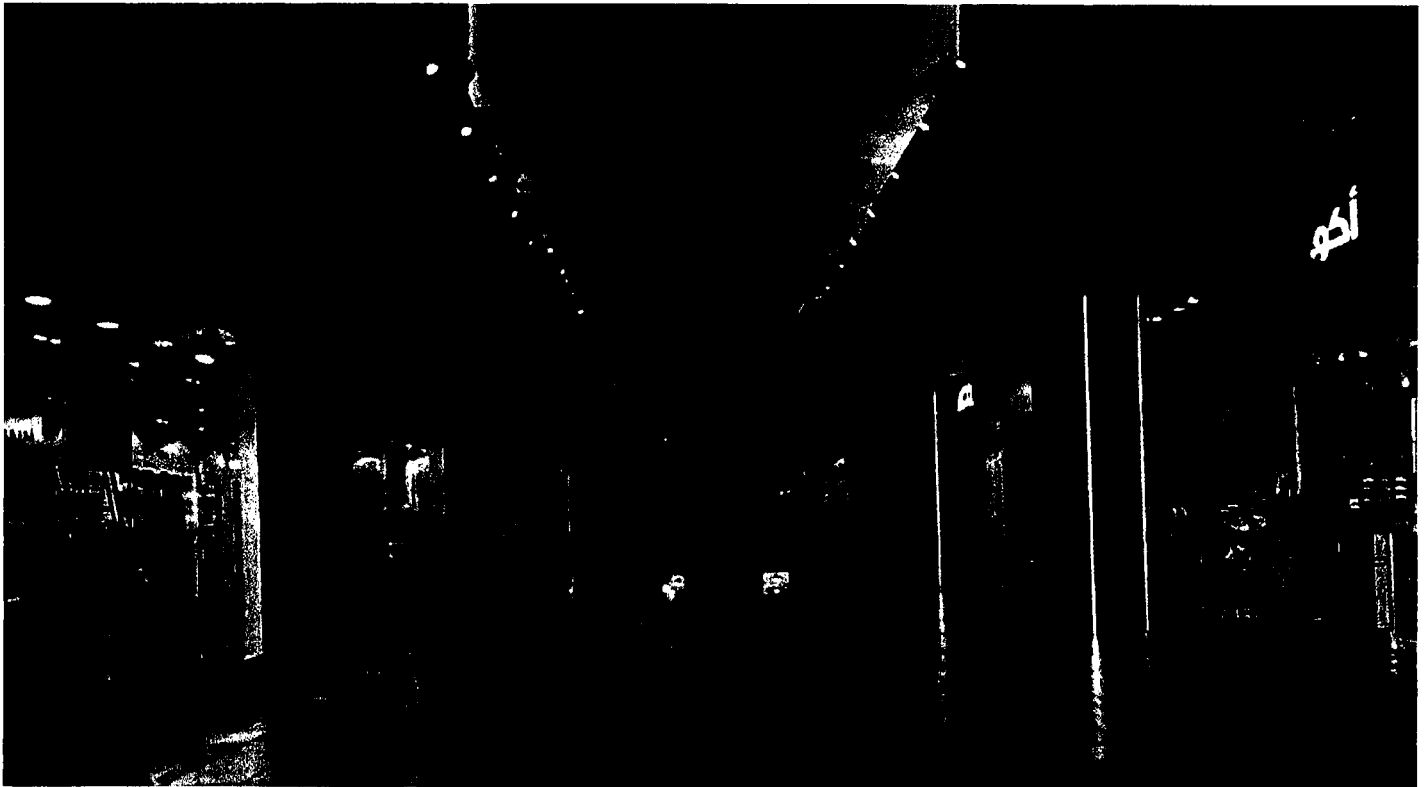
All this is happening in an environment, even before the pandemic, of a world that was closing up, highlighted by the US-China trade war, that has torn down the open and globalized world economy. With the added disruption in supply chains during the pandemic, countries are reconsidering further their exposure to globalization, and recoiling into strategic protectionism. The world has changed - and will change some more - as a result of the pandemic. But certain trends, in the world economy in particular, were evident which will now accelerate into a megatrend

In the proposals we make below, we are mindful of the backdrop of the challenges, both from Covid-19 and a less globalized world. We propose detailed steps to revive the ASEAN economy while securing lives and livelihoods. We propose measures to achieve in the shortest possible time the full discipline of a single market and production base which is the promise of the ASEAN Economic Community (AEC). Beyond that, in an era in need of greater regionalization, we strongly urge that the Regional Comprehensive Economic Partnership (RCEP) be set up as soon as possible.

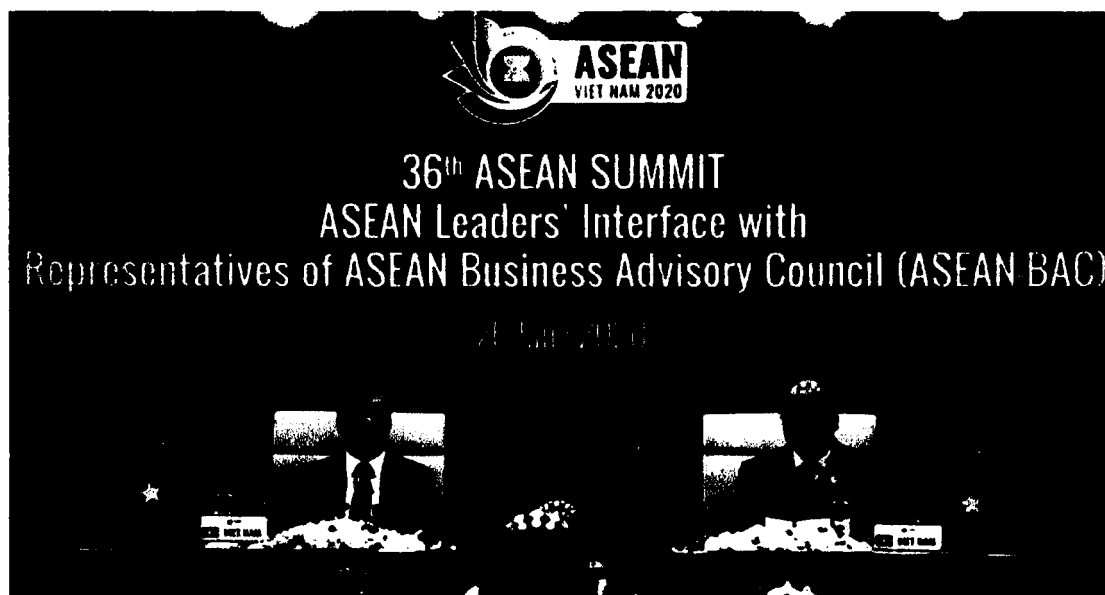
We fully believe all necessary decisions need to be made fast and can only be made through the establishment of an ASEAN High Level Special Commission (AHLSC). We offer to assist the AHLSC by setting up the Special Business Advisory Board (SBAB) so that the public and private sector can work together to revive the ASEAN economy and to plan its further expansion. No sector of life and economy is the same and the world is changing rapidly. ASEAN - both the governments and the private sector - cannot operate on a business-as-usual basis. With these proposals, we ask that ASEAN rises to the challenge. We seek that ASEAN seizes the opportunity to convert its huge prospects into reality.

M 2 2 1

Tan Sri Dr. Munir Majid  
Chair, COVID-19 Response and Economic Recovery Working Committee  
Chair, ASEAN BAC Malaysia



A PATHWAY TOWARDS RECOVERY AND HOPE FOR ASEAN



**We commend** the ASEAN Leaders for issuing a timely Declaration which set the direction and collective response to COVID-19 and mandated the development of an economic recovery plan aimed at getting ASEAN out of the crisis stronger, more responsive and cohesive.

**We further commend** the issuing of the Hanoi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 Pandemic. The progress of implementation and actioning of the measures contained in the Plan of Action will be monitored and watched closely by the private sector.

**We also note** that some of the measures contained in the Plan of Action are ones that the ASEAN Member States either should have already accomplished, or are meant to be doing now, even before the onset of the pandemic. We need to view the pandemic as the impetus towards closer adherence of existing ASEAN commitments, particularly around notification of, and consultation on, new non-tariff measures.

**We salute** the efforts taken by the individual ASEAN Member States in dealing with the pandemic, both in tackling the virus itself and in putting in place measures to protect livelihoods. It was essential, for public health and safety, that stringent actions be taken to contain and tackle the virus. However, it is equally essential that actions continue to be taken to avoid further waves of infection in the region and allow for gradual economic recovery to take place safely.

To that end, ASEAN BAC and its partner Joint Business Councils, Sector Champions and Knowledge Partner CIMB ASEAN Research Institute (CARI), hereby present a package of recommendations under two main headings: Dealing with the Current Pandemic and A Strategic and Smart Economic Recovery Plan. These recommendations are aimed at ensuring a fast, comprehensive and sustainable economic recovery for the region: one that will ensure continued equitable economic development and improving ASEAN competitiveness to enhance access to foreign direct investment and global value chains

As we gradually open our economies, the risk of increase in the level of infection remains. It is therefore critical for businesses to protect their workforce while operations recommence. From the production side, the same applies to the consumer side where a safe environment for transactions can take place so trust and confidence are restored to get economies going again in as safe an environment as possible whilst minimizing the impact on economic activity while restoring consumer confidence.

We believe that the key measures set out below are in the spirit of, and in line with, the intentions of the Hanoi Plan of Action published on 19 June 2020, and endorsed by the ASEAN Leaders during their 36<sup>th</sup> ASEAN Summit on 26<sup>th</sup> June.

Some of these measures are repeated in the later section on the Economic Recovery Plan section as they are viewed by ASEAN BAC, the JBCs and our various partners and stakeholders as being essential and need to be institutionalized in the medium to long-term to secure ASEAN competitiveness and sustainable, equitable economic development across Southeast Asia.

## X EXPONENTIAL INCREASE IN MASS TESTING CAPACITY

**“This Plan of Action demonstrates ASEAN’s determination to work closely to identify and address trade disruptions, with ramifications, on the flow of essential goods, including food, medicines, and medical and other essential supplies in the region. This is part of concerted efforts to not only contain and mitigate the economic impact of the COVID-19 pandemic on the region but also to strengthen supply chain connectivity to make supply chains more resilient and less vulnerable to similar challenges in the future.”**

**HANOI PLAN OF ACTION ON STRENGTHENING ASEAN ECONOMIC COOPERATION AND SUPPLY CHAIN CONNECTIVITY IN RESPONSE TO THE COVID-19 PANDEMIC, 19 JUNE 2020**



1. Mobilize joint private and public campaigns for the dramatic scaling up of affordable, reliable and accessible mass testing capacity to restore business and general public confidence across the region. This should be undertaken in tandem with government RT-PTR tests. While ASEAN Member States (AMS) reach out to multilateral and bilateral sources of funding, the private sector can partner in this effort. Specifically, we call for:

- a. The roll out of drive-through testing stations in all AMS;
- b. The opening of pop-up clinics and community care facilities to increase access to testing;
- c. The issuing of simple and understandable Testing Guidelines on what to do and where to go when exposed with someone who tested positive for Covid-19.

## CONTACT TRACING

2. Adopt available technological innovations covering contact tracing and develop an ASEAN-wide contact tracing system which would then support the reopening of borders and support the recovery of trade, travel and tourism.
3. Meanwhile, adequate workforce and communications infrastructures should be put in place to undertake the necessary tracing, isolation, containment and monitoring process while awaiting adoption of technological solutions for contract tracing.

## UNINTERRUPTED SUPPLY CHAIN FOR ESSENTIAL GOODS AND SERVICES DURING THE PANDEMIC

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### PROVISION OF MASKS, PPE AND MEDICAL EQUIPMENT AND OTHER ESSENTIAL GOODS

4. AMS should guide and incentivize the private sector to increase production of face masks, shields and PPE while strictly enforcing ASEAN-set standards.
5. Create PPP platforms for coordinated and efficient manufacturing and equitable distribution of masks, ventilators and other critical medical equipment (e.g. medical beds) to priority sectors.
6. Provide a platform for immediate and accurate information on local conditions when 2<sup>nd</sup> wave of the pandemic strikes in an AMS to provide swift support and address gaps in medical supplies.
7. Prioritize customs clearance mechanisms in establishing green zones for cross-border trade to enhance access to essential goods and medical supplies including PPE. For example:
  - a. Apply duty deferral programs;
  - b. Employ flexibility in the collection of duties, fees, and taxes, to the greatest extent possible;
  - c. Simplify import declarations, remove export restrictions consistent with similar recommendation and application for all shipments (i.e. traditional or e-commerce),
8. Consider using escrow accounts and Letters of Credit as mechanisms to help expedite the delivery of essential goods, including PPE, medical testing and machinery.

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### MORATORIUM ON NEW NON-TARIFF-MEASURES

9. AMS should agree immediately NOT to impose new Non-Tariff Measures (NTMs) on the flow of medical, food and other essential supplies, or introducing new measures that could increase costs of businesses or disrupt supply chains further in any sector (save for new rules and regulations required to remove any pre-existing Non-Tariff Barriers). This moratorium should remain in place for 12 months. In making this recommendation we note that the Hanoi Plan of Action states that AMS should "Refrain from imposing unnecessary non-tariff measures during the COVID-19 pandemic"<sup>1</sup>.

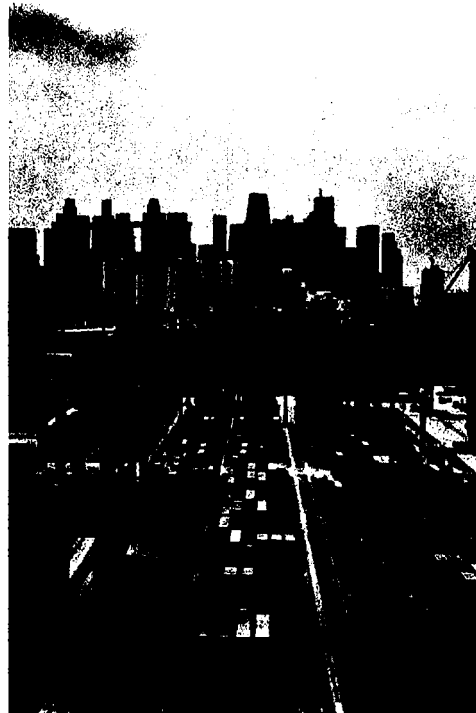
*NTMs - measures that would affect flow of International trade, non-ordinary custom tariffs (license, quota, Embargo, Sanction)*

<sup>1</sup> See paragraph 1.1 of the Hanoi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 Pandemic, 19 June 2020



medicines, and medical and other essential supplies associated with combating the COVID-19 pandemic and facilitate timely information sharing amongst the ASEAN Member States with regard to trade-related measures on these essential goods and supplies. ASEAN Member States will also facilitate information exchange on the best practices of Member States in handling COVID-19, and to undertake initiatives as well as risk mitigation efforts to prevent the further spread of infectious diseases including COVID-19.”

HANOI PLAN OF ACTION ON STRENGTHENING ASEAN  
ECONOMIC COOPERATION AND SUPPLY CHAIN  
CONNECTIVITY IN RESPONSE TO THE COVID-19 PANDEMIC,  
SECTION I – AREAS OF COOPERATION



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#### PORTS OF ENTRY

10. Commit to securing the continuity of international air cargo, cross-border land transportation, and logistics services, including crew and drivers, to support international supply chains and delivery. Essential services, like cargo transport, must have the ability to provide the full suite of services they offer to promote operational efficiency and environmental sustainability.
11. Commit to at least one port per AMS to be open 24/7 during the time period of crisis (by having a pre-agreed list of designated ports of entry).

---

#### HARMONIZING ASEAN DEFINITION OF ESSENTIAL GOODS & MUTUAL ACCEPTANCE OF TESTING STANDARDS

12. Define essential goods with specific AHTN HS codes with ASEAN-wide agreement on the list of essential goods including food, beverages, medicines, medical supplies and equipment, PPE., etc.;
13. Define the time period of crisis in preparation for 2<sup>nd</sup> wave (i.e. agree on when the crisis begins, such as when the WHO declares an epidemic or a pandemic);
14. Define a list of and quota of essential goods that each AMS can guarantee for commercial procurement;

15. Recognize testing or certification reports for essential goods through multilateral recognition arrangement e.g. ILAC, IAF and APAC, or bilateral recognition of trade partner's regulatory conformity assessment results, to minimize additional testing and certification requirements.

---

#### HARMONIZE ASEAN DEFINITION AND TREATMENT OF ESSENTIAL SERVICES

16. Define industries that are allowed to operate even under lockdown and the scheme for obtaining operating licenses;
17. Continued application of essential services classification for certain sectors/products for exemption from shut-down and border restrictions for international security, food security, and energy security and as regulated by multi-lateral protocols;
18. Make permanent the exemption of agriculture as an essential service;
19. Adapt regulations and policies to deliver timely agriculture inputs (raw materials and technologies such as quality seeds and crop protection products) to farmers;
20. Recognize transportation and logistics companies as well as intermediaries along the transport chain as an "Essential Service" that provides lifesaving services and ensures the continuity of supply chains. Further, all suppliers, critical vendors, and downstream employees of those designated as essential should also be so designated;
21. Governments should recognize carriers and their conveyances, equipment and crews as "essential services" so that they can continue supplying and delivering goods in medical, food, manufacturing and many other critical supply chains.

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#### ESSENTIAL WORKERS

22. Allow essential workers, primarily health care professionals and providers to move freely across borders to address critical shortages of manpower. They should be categorized as "ASEAN Healthcare Ambassadors";
23. Discourage the use of curfews on essential workers. Curfews can prevent essential workers from travelling to work or prevent essential workers from commuting across country borders home from work;
24. In line with ICAO standards, pilots and drivers, who do not interact with the public in the performance of their jobs, should be exempt from local quarantine requirements.

#### GROUNDWORK FOR AFFORDABLE ACCESS AND EQUITABLE DISTRIBUTION OF VACCINES

25. Put in place now a mechanism to allow ASEAN to undertake collective order and purchase of vaccines for cost efficiency. An ASEAN-combined order can negotiate on behalf of 650m people, which is more than double the US and Europe, will have priority and secure best pricing to the new vaccine;
26. ASEAN should tap into the initiatives of the IMF (funding assistance), the World Health Organization and other multilateral institutions who are setting up mechanisms for equitable distribution of vaccines;

27. Need to prepare and set up a full-service delivery and administration mechanism which must be strictly monitored and supervised at ASEAN level ensuring full access to a vaccine for all citizens and residents of ASEAN.

#### **ECONOMIC SAFETY NETS FOR MSMES AND EMPLOYEES**

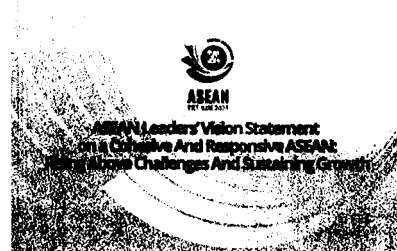
28. While ASEAN governments have implemented measures to support businesses, especially MSMEs during the COVID-19 crisis, such measures must be continued for as long as is supportable by fiscal and monetary policies;
29. We recommend the institutionalization of such safety-net mechanisms to support MSMEs that can then be quickly activated in times of calamities and natural disasters;
30. We also encourage the private sector, particularly large corporations, to provide financial and social assistance to their employees and suppliers wherever possible;
31. Set up an “Insolvency Policy” which allows legitimate entrepreneurs, who failed due to COVID-19, to recognize their rights from bankruptcy, but are able to get back to business as quickly as possible;
32. Companies to be given subsidies to provide for PPEs and enhanced health security work environment;
33. Delay, reduce or waive tax payment obligations; provide for reduction in or extended payment of commercial rents and utilities (e.g., by waiving property tax for commercial landlords and requiring this to be passed to commercial tenants); and provide access to capital at zero percent interest.

#### **ASEAN PANDEMIC RECOVERY FUND**

34. Prepare the groundwork for the setting up of the ASEAN Pandemic Recovery Fund for launching before the end of 2020 through the auspices of Asian Development Bank or other multilateral financial institutions for purposes of alleviating the economic impact of the pandemic on AMS;
35. In establishing an ASEAN Pandemic Recovery Fund, governments to ensure that a first step is the mapping of related, existing initiatives and projects across ASEAN to avoid any duplication, overlap and inconsistent approaches to maximise the benefit of the Fund to ASEAN societies and economies;
36. The funds may also be used to address immediate social and economic problems and also help build resilience and alliances through a responsible and inclusive business framework.

## **EXPEDITE FINALIZATION AND RATIFICATION OF RCEP IN 2020 (WITH OR WITHOUT INDIA)**

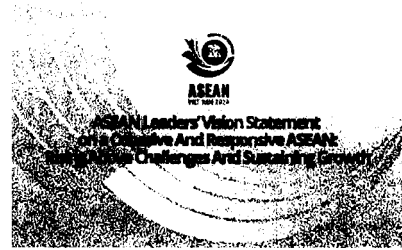
“16. Dedicate utmost efforts to conclude a modern, comprehensive, high quality, and mutually beneficial Regional Comprehensive Economic Partnership (RCEP) agreement and its signing in 2020; demonstrating the firm commitment of ASEAN and its partners to upholding an open, inclusive and rules-based multi-lateral trading system;”



**ASEAN LEADERS' VISION STATEMENT ON A COHESIVE AND RESPONSIVE ASEAN: RISING ABOVE CHALLENGES AND SUSTAINING GROWTH HA NOI, 26 JUNE 2020**

37. The RCEP should be concluded and ratified as soon as possible. What was becoming clear even before the COVID-19 crisis, with protectionist policies and the trade war, is the regionalization of the world economy. We have to generate regional economic growth and cooperation NOW to compensate for the falling global demand. The Agreement should be signed and ratified in 2020 with or without India if need be, with work to continue on persuading India to join as soon as possible; and to be ratified within a reasonable timeframe.
38. We therefore urge the RCEP economies to kick off with an early harvest scheme to reduce Non-Tariff Barriers (NTBs):
- a. Advocate adherence to international standards;
  - b. Enhance transparency in labelling, testing, licensing and registration requirements;
  - c. Avoid concept of tariff differentials;
  - d. Adopt a common concession in tariff schedules with the same preferences to all other RCEP members;
  - e. Simplify Rules of Origin (ROO);
  - f. Avoid tariff differentials to ensure that all ROO are trade facilitative and business friendly; and,
  - g. Engage constantly with businesses to ensure the effectiveness of the RCEP even after its implementation.
39. Commit to reviewing Phase II RCEP topics to include more ambitious outcomes for cross-border e-Commerce facilitation, Customs Clearance, and protocols for supporting Supply Chain Resilience.
40. Review ASEAN-India FTA (in the absence of RCEP), including goods, services and investment agreements to make it more effective and liberal would provide greater business and investor confidence to invest in ASEAN and India.

“15. Reaffirm strong commitment to alleviate the adverse impact of the COVID19 pandemic on our people’s livelihood, societies and economies, through the implementation of a comprehensive recovery plan with a view to improving stability and resilience of the regional economy, preserving supply chain connectivity, while staying vigilant of a second wave of infections.



- Undertake necessary measures for gradual revitalisation of ASEAN’s economic activities to implement facilitative measures and to expedite recovery of the ASEAN economies;

- Strengthen resilience of the ASEAN economies to make them sustainable and less vulnerable to future shocks; stabilising manufacturing, promoting complementarities in the regional supply chain through technology exchange, and ensuring food security and energy security.”

ASEAN LEADERS’ VISION STATEMENT ON A COHESIVE AND RESPONSIVE ASEAN: RISING ABOVE CHALLENGES AND SUSTAINING GROWTH HA NOI, 26 JUNE 2020

The COVID-19 Pandemic, and its consequential impact on the global economy, has served to highlight how exposed ASEAN is to global economic trends and impacts. Trade across the region has plummeted.

First, ASEAN’s primary trading partner, China, went into a lockdown, followed by other major trading partners such as the EU, the United States, and Japan. ASEAN’s dependence on trade with others hit the region hard. Equally, the very limited level of intra-ASEAN trade – still hovering at around 24% of total ASEAN trade – was shown to be inadequate to help the region deal with the global impact of the pandemic.

Despite ambitions to turn ASEAN into a “single market and production base” and boost intra-ASEAN trade, the failings of the region to advance its own economic integration agenda has left it ill-equipped to weather storms such as the COVID-19 pandemic, resulting in a negative economic impact that is likely to get deeper and longer in nature than it needed to be.

It is clear to the private sector that there needs to be an accelerated and more determined response to boost intra-ASEAN trade by equipping the region better for a more digitised future, and boost ASEAN’s competitiveness. ASEAN can therefore shield itself from a global trading order that will be more prone to economic nationalism and regionalisation.

ASEAN has had the benefit, prior to the pandemic, of still attracting record levels of Foreign Direct Investment, largely on the back of high economic growth and the promise of economic integration, coupled with its high levels of urbanisation and relatively youthful, upwardly mobile populations. There is no certainty that that situation will prevail in to the future as FDI funds will be more scarce, and competition for them become more fierce.

Commentators everywhere are expecting a redistribution of supply chains and the services sectors that support them, as the various lockdowns associated with COVID-19 demonstrated that over-reliance on single or dual sources for goods and services had far reaching consequences even in countries or regions that were less exposed to the pandemic. There is no guarantee that the process of redistribution will benefit ASEAN. But ASEAN needs to act now to ensure that it is in the best place to attract new investments by showing leadership in advancing economic integration while continuing its support for an open, rules based global trading order, and achieving finally its own oft-stated objectives.

The recommendations in this section are aimed at strengthening ASEAN competitiveness, accelerating economic recovery across the region, and placing ASEAN in a better and stronger position to recover from and weather any future pandemic or natural disaster events that could severely impact on the economy of the region.

## **DEALING WITH THE CURRENT PANDEMIC CRISIS**

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### **CONTACT TRACING & CROSS-BORDER INTRA-ASEAN MOVEMENTS**

41. Adopt available technological innovations covering contact tracing and develop an ASEAN-wide contact tracing system which would then support the reopening of borders and support the recovery of trade, travel and tourism;
42. Allow essential workers such as health care professionals to move freely across borders to assist on COVID-19 by sharing skills and experiences;
43. Electronic versions of trade-related documentation for customs clearance purposes should be used wherever practicable, in order to minimize physical contact between people.

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### **ENHANCING EXISTING HEALTHCARE CAPACITY**

44. Strengthen macroeconomic policies to empower quick increases in healthcare capacity by allowing:
  - a. conversion of ordinary hospital beds for ICU use,
  - b. opening pop-up clinics and community care facilities,
  - c. rolling out drive-through testing stations,
  - d. investing in basic healthcare training and capacity development, and
  - e. mobilizing social "care ambassadors" from other sectors to fill in the manpower gap at hospitals,
  - f. increasing the availability of over-the-counter medicines for common ailments to reduce visits to primary care facilities by those with non-COVID-19 symptoms;
45. Ensure non-disruption of flow and access to medical equipment and related service providers for example in securing hospital beds, maintenance of ventilators, etc. Furthermore, provide immediate and accurate information on local conditions when epidemic breaks (e.g. number of available hospital beds in specifically designated hospitals, number of ventilators).

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### **ECONOMIC SAFETY NETS FOR MSMES AND EMPLOYEES**

46. We note that many ASEAN governments have implemented plans to support businesses, especially MSMEs during the COVID-19 Crisis. This is to be applauded and we hope that such measures can be continued as far as prudent fiscal and financial capacities allow. We recommend putting in place permanent safety-net mechanisms to support MSMEs that can then be quickly activated in times of calamities and natural disasters. We also encourage

the private sector, particularly large corporations, to provide financial and social assistance to their employees and suppliers wherever possible.

## **FUTURE EPIDEMIC AND PANDEMIC PREPAREDNESS**

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### **COVID 19 VACCINE**

47. Collective order and purchase of vaccines. An ASEAN combined order can negotiate on behalf of 650m people, which is more than double the US and Europe, will have priority and secure best pricing to the new vaccine;
48. ASEAN as a region must ensure access to equitable and affordable distribution of vaccines as soon as available by tapping into the initiatives of the IMF (funding assistance), the World Health Organization and other multilateral institutions;
49. Need to set up a full-service delivery system, including access to the vaccine as well as administering it. Setup will help for all future major infectious diseases. This will allow leveraging pharmacy infrastructure for vaccine delivery – instead of a hospital infrastructure to do that – much more cost efficient.

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### **LINK UP WITH GLOBAL DIALOGUE PARTNERS FOR RESEARCH & PREPAREDNESS PLANS**

50. Establishment of a Task Force comprising leading ASEAN and international university research institutes by encouraging consultation and guidance toward regional efforts for future pandemic preparedness. For example, the recent roadmap to recovery prepared by the G8 (Group of the 8 leading universities in Australia) and the role universities have played in the Coalition for Epidemic Preparedness (CEPI). There have been significant achievements and milestones being achieved across key institutions in Singapore (NUS, NTU and SMU) and Australia for vaccine development and diagnostic testing. Global Partnerships will be essential in moving forward;
51. Enhance scientific cooperation on epidemiological research, including through the ASEAN + 3 Field Epidemiology Training Network, in collaboration with the private sector;
52. ASEAN governments can work with dialogue partners, both public and private sector to train and equip businesses and communities on best practices in cleaning offices, manufacturing plants and public spaces.

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### **DEVELOP NATIONAL BUSINESS CONTINUITY & EDUCATION PLANS**

53. Each AMS should develop a comprehensive business continuity plan which can be quickly implemented in times of pandemics and/or natural disasters to ensure the quick mobilisation of healthcare resources (mass testing; quarantine mechanisms; ICU capacity etc.), maintenance of essential supplies of goods and services, economic support for general population and for businesses etc. These plans should be regularly tested and updated, and also shared with other AMS to ensure a regional-wide cohesive response and support mechanism. For health-related disasters, more pre-emptive measures (e.g. building immunities) adopting global best practice must be put in place immediately;
54. Promote an ASEAN-wide education program to promote Household Goods, Personal Care and Pharmaceutical as daily essential products to maintain health and hygiene;

55. Provide ease of access to disaster-related insurance must be made available and affordable. Furthermore, an active advocacy campaign to instill culture and capacity for disaster preparedness and practical risk management for business especially for MSMEs must be developed and rolled out;
56. Develop an active advocacy campaign to instill culture and capacity for disaster preparedness and practical risk management for business especially for MSMEs.

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#### IMPLEMENT BROAD-BASED IMMUNISATION PROGRAMMES & STOCKPILING OF KEY MEDICINES

57. Improving immune systems, health and well-being of the population that will help guard against future pandemics and help reduce deaths caused by underlying health issues. Using flu pandemic preparedness models as examples, health authorities should consider the stockpiling of influenza and other vaccines and immunisation drugs (as recommended by the World Health Organisation). This could be done through an ASEAN-wide body to improve efficiencies and economies of scale, with clear rules to ensure transparency, fair contracting etc.;
58. AMS should introduce compulsory vaccinations programmes for key illnesses (e.g. MMR, Flu) to help reduce strain on existing health systems during times of crisis and promote better health and well-being amongst their populations, and ensure that a catch-up schedule/ method is put in place as routine-immunization has been disrupted during the pandemic.
59. With the pandemic in mind, many people have avoided clinics and hospitals, so routine immunization has been disrupted. ASEAN government could consider to expand the access points for immunisations by exploring the use of community pharmacies by allowing on-site physician or even pharmacists to administer vaccinations.

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#### PRESCRIPTION TO OVER-THE-COUNTER (OTC) SWITCHING & PROMOTION OF SELF-CARE

60. With increasing pressure on the public health system, setting the pathway to self-care intervention is key to enabling consumers to have access to home remedies and improve their health outcomes before a potential second wave of COVID-19 infections. This will also lessen the burden on healthcare systems which need to prioritize treating the most critical patients. Increasing access to certified medicines for dealing with common ailments without the need to call on primary healthcare facilities will reduce the pressure on those facilities during a pandemic and help guard against potential increases in other unrelated infections.

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#### E-PHARMACY

61. Pharmacists and pharmacies are the key players in ensuring that the dispensing of medicines can be made in an efficient and safe manner. Patients and consumers can remain at home to access essential medicines and avoid transportation to visit the physical pharmacy stores. This could additionally help reduce the hospital crowding that the healthcare professionals can concentrate to COVID-19 management and more complicated diseases;
62. The European Union, Australia and Switzerland, and ASEAN countries like Singapore and Philippines, for example, have legalized e-pharmacy. There are certain requirements which pharmacies must comply with in order to be able to take prescriptions from physicians or



patients online, dispense the prescription only medicines and handle home delivery patients;

63. Official e-pharmacy allows patients to receive medical consultation from pharmacists via online platform and receive dispensed medicines at home without worrying about interacting with other patients or about leaving their houses;
64. IT infrastructure and communication technology in e-pharmacy promote quality, safety, efficacy of medicines and enhance pharmacy services, through enabling trace & track feasibility, authenticity of certified pharmacies, online-consultation, consumer/patient medicine use data collection and pharmacovigilance. It can additionally support to solve the problems of illegal selling of medicines and falsified medicines through online channels;
65. This would require the development of relevant laws and regulations to allow official registration and legalization of e-pharmacy with specific requirements or guidelines to ensure patient safety and delivery of quality medicines to patients. The current physical pharmacy stores could be potentially certified as e-pharmacy in addition if they could comply to certain laws, regulations and guidelines similar to the experiences in other countries.

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#### DEVELOPMENT OF E-HEALTH SYSTEMS

66. Work with governments (or a selected government for a pilot project), perhaps making use of existing sandboxes, to develop a clearer framework for the promotion of digital health as an affordable way to increase access to health information and healthcare services.

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#### ESSENTIAL GOODS AND SERVICES

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##### ESSENTIAL GOODS

67. Institutionalize and harmonize definitions of essential goods with specific AHTN HS codes with ASEAN-wide agreement on the list of essential goods including food, beverages, medicines, medical supplies and equipment, PPE etc and keep such a list under regular review.
68. Simplify import declarations, remove and export restrictions, and expedite clearances for essential goods;
69. Create a regional database under ASEAN Secretariat that consolidates each country's crisis legislations, decrees, circulars;
70. Create a regional database under ASEAN Secretariat that recognizes the essential food ecosystem based on previous pandemics such as the current COVID-19 (i.e. the manufacturers, the 3rd party suppliers, the distributors etc who are all part of the primary food value chain);
71. Strengthen ASEAN countries' standards infrastructure. For essential goods without proper standards in place, provide training and support the development of standards based on international standards and harmonized with trade partners, which widen the potential import source of essential goods while not compromising the quality;
72. Recognize testing or certification report for essential goods through multilateral recognition arrangement e.g. ILAC, IAF and APAC, or bilateral recognition of trade partner's regulatory conformity assessment results, to minimize additional testing and certification requirements;

73. Maintain the continuity of goods flow in ASEAN. Border trade measures should not be restricted in order to facilitate entrepreneurs. Once the situation returns to normal, AMS altogether should follow our mutual regulations e.g. cross border agreement.

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#### ESSENTIAL SERVICES

74. Institutionalize and harmonize the definition of essential services and industries that are allowed to operate even under lockdown and the scheme for obtaining operating licenses, and put in place a regular review of this list.
75. Continued application of 'essential services' designations for certain sectors/products for exemption from shut-down and border restrictions for international security, food security, and energy security. They should cover both good and services and be regulated by multi-lateral protocols.
76. Make permanent the exemption of agriculture as an essential service
77. Recognize transportation and logistics companies as well as intermediaries along the transport chain as an "Essential Service" that provides lifesaving services and ensures the continuity of supply chains. Further, all suppliers, critical vendors, and downstream employees of those designated as essential should also be so designated. There must be a whole of supply chain approach

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#### ESSENTIAL WORKERS

78. Allow essential workers such as health care professionals to move freely across borders to assist on covid-19 by sharing skills and experiences;
79. Discourage the use of curfews on essential workers. Curfews can prevent essential workers from travelling to work or prevent essential workers from commuting across country borders home from work;
80. Develop an ASEAN visa protocols to allow continued movement of essential workers.

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#### FOOD SAFETY AND SECURITY

81. Make formal analysis of regional vulnerabilities and develop a plan to help to remove them;
82. As a trading group ASEAN can encourage / support intra ASEAN trade and ASEAN could form partnerships with other key countries for inputs / food supplies to support food security / resilience in ASEAN;
83. Establishment of a formal ASEAN food security cooperation framework or Working Group that covers:
- a. Emergency response system and/or regional guidelines that can be activated for the current/future emergency situations.
  - b. Efforts to address how countries within ASEAN can effectively & efficiently deal with tackling food loss (farming, processing, distribution):
    - i. during an emergency,
    - ii. to feed the expected 100+ million more people that will join the ASEAN population in 2030, and
    - iii. climate/environment-related concerns (land & water use, climate change, etc.);

84. Adopt flexible and pragmatic approaches according to interim guidance introduced by the World Health Organization (WHO) to ensure the effectiveness of a reduced food safety inspection programme in mitigation of risk and temporary measures that can be introduced to contain widespread food safety risks without compromising food safety and reduce serious disruption to national food safety programmes. (WHO interim guidance: [https://apps.who.int/iris/bitstream/handle/10665/331842/WHO-2019-nCoV-Food\\_Safety\\_authorities-2020.1-eng.pdf](https://apps.who.int/iris/bitstream/handle/10665/331842/WHO-2019-nCoV-Food_Safety_authorities-2020.1-eng.pdf));
85. To adopt science-based principles and risk-based assessments as the basis to guide regulatory decisions.
86. Implement traceability solutions to improve the efficiency of border checks and controls;
87. Future construction of food cargo to adhere to recommended WHO safety and hygiene standard requirements to reduce inspection time and risk of cross-contaminations;
88. To support the elevation of the ASEAN Plus Three Emergency Rice Reserve (APTERR) to a permanent scheme and expanding the reserve funds with more support from donor countries as well as to include other agricultural commodities.

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#### SUPPLY CHAINS/PORTS OF ENTRY

89. Early identification of existing and potential vulnerabilities along the supply chain, with consideration to the shift in the supply chain / trade patterns due to impact and changes that resulted from COVID-19.
90. Government to improve resources at border points to cater for binge in new shipments
91. All ASEAN Member States to join these affirmations of commitment to ensuring essential supply chain connectivity during the pandemic, economic recovery, and in the "new normal" ahead.

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#### HEALTHCARE SYSTEM

92. Digitization of the healthcare system, including the use of e-submission platforms, to facilitate the availability of time-critical medical supplies to speed up approvals and procurement processes;
93. Coherence between trade and health policies is also crucial to keep supply chain open and public healthcare system functional throughout health emergencies, not only for timely movement of goods but also the truck drivers and healthcare professionals.

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#### MANUFACTURING

94. Allow the supply and services sector to operate to support the main manufacturing activities and minimize disruptions to the overall ecosystem of key manufacturing facilities;
95. To develop "essential parts/components for regional manufacturing network" list to be commonly shared among ASEAN Member States, with prioritized action to ease operation restriction;
96. Development of production chains both upstream and downstream by supporting regional manufacturing and reducing importing from other regions. Supply chain resilience should be more addressed (the key characteristics of resilient supply chains are visibility, flexibility, collaboration and control).

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## LOGISTICS SERVICES

97. Expedited clearance of essential goods/services and Carriers of all modes of transport provide essential and lifesaving services in these challenging times;
98. Movement and access of workforce to transport, logistics involved in food (and non-food inputs) and beverage supply chains infrastructure are allowed with appropriate protective measures in place to ensure their health and safety in workplace;
99. Improve storage, preservation, facilitate distribution technology and transportation for food and agriculture products;
100. Strengthened, inclusive and coordinated action by inter-agency task force is critical in enacting a decisive and effective response to COVID-19;
101. Consider using escrow accounts and Letters of Credit as mechanisms to help expedite the delivery of essential goods, including PPE, medical testing and machinery;
102. Ensure sound and sufficient vehicles, containers to facilitate cross border trade during the pandemic, from neighboring or passing countries, with standard pan-asean COVID -19 protection measures;
103. Recommend ASEAN governments support movement of airfreight at affordable rates out of their countries to various export destinations. This may include subsidising the cost if necessary and leveraging off freight assistance measures from ASEAN +1 countries, for example, Australian government's impetus on keeping agriculture supply chains to Asia open is being prioritised with AUD\$110M freight assistance measure to restore global supply chains.



## REMOVAL AND MINIMISING NON-TARIFF-BARRIERS TO SHOW GENUINE POLITICAL WILL AND LEADERSHIP

“1.1 Refrain from imposing unnecessary non-tariff measures during the COVID-19 pandemic. This would include the consideration to not apply against any ASEAN Member State export prohibition or restrictions within the meaning of Article XI of the GATT 1994 to essential goods, including food, medicines, and medical and other essential supplies, for the purpose of combating the COVID-19 pandemic, except as provided under Article XI:2 (a) GATT and other WTO provisions.



1.2 Promptly inform all ASEAN Member States of any trade-related measure, through the ASEAN Secretariat, including the application of export prohibition or restriction, and/or the removal of export prohibition or restriction on essential goods, including food, medicines, and medical and other essential supplies if necessary, so as to ensure local needs and to protect public health in the context of the pandemic as soon as practicable. Also, to promptly publish and update such trade-related measures for transparency.”

HANOI PLAN OF ACTION ON STRENGTHENING ASEAN ECONOMIC COOPERATION AND SUPPLY CHAIN CONNECTIVITY IN RESPONSE TO THE COVID-19 PANDEMIC, JUNE 2020

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### MORATORIUM ON NEW NON-TARIFF-MEASURES

104. Institutionalize ASEAN agreement not to impose new Non-Tariff Measures on the flow of medical, food and other essential supplies, or introducing new measures that could increase costs of businesses or disrupt supply chains further in any sector (save for new rules and regulations required to remove any pre-existing NTBs) during a pandemic and similar disasters.

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### ELIMINATION OF NTBS

105. Mandate the public sector to use this time as an impetus to fast track regional trade reforms and to eliminate non-tariff barriers (NTBs) to trade, especially for essential goods and services (e.g. food, beverage, agricultural products, medical products, education, sanitary and manufacturing process, etc.). In particular, we recommend:

- Commitment to remove all NTMs by the end of 2021:
  - that restrict prices or impose price controls on imported goods
  - that impose quantity controls or import quotas on imported goods
  - classified as Contingent Trade Protective Measures

- Establishment of a thorough and independent review of all other NTMs to be conducted by a panel of trade experts to identify other NTBs across the region, with the panel to be established by the end of 2020 and to report by the end of 2021 with clear lists of NTBs and a timeline for their removal.
- Securing full liberalisation of "Mode 1" type Trade in Services under ASEAN Framework Agreement on Services (AFAS) and ASEAN Trade in Services Agreement (ATISA), especially for the service sectors which are able to provide respective services through digital tools.

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## NTM GUIDELINES

106. ASEAN Member States should all commit to implement the Guidelines for Implementation of ASEAN Commitments on Non-Tariff Measures on Goods, as approved by the AFTA Council in 2018, in their entirety by the end of 2020 at the latest. Serious consideration should also be given to incorporating them in the revised ATIGA agreement to give the guidelines legal force;
107. Empower and support CCA as the guardian and enforcer of the ASEAN NTM Guidelines in terms of effective and efficient technical capacity and administrative support;
108. Specific to NTMs and NTBs, JBCs to be allowed to engage with SEOM and relevant ASEAN Bodies at least twice a year for more meaningful and productive dialogue.

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## ASEAN/NATIONAL TRADE REPOSITORIES

109. Article 13 of the ASEAN Trade Goods in Agreement (ATIGA) calls for the establishment of an "ASEAN Trade Repository containing trade and customs laws and procedures of all Member States". Despite being signed 10 years ago, this provision under ATIGA remains incomplete. ASEAN Member States should commit to completing the ATR by the end of 2020.

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## INVESTMENT LIBERALIZATION & EASE OF DOING BUSINESS

110. Lower barriers to investment from outside the region and cross-border investments within the region; To attract investment during this economic downturn will require more significant investment liberalizations and relaxation of local partner regulations than have been contemplated previously.

- ASEAN Member States should all commit to revise legal documents, rules and procedures to improve ease of doing business, including:
- abandoning restrictions on investments
  - removing all investment and business conditions as means of boosting investment
  - Improved management mechanisms for the implementation of policies in localities and ministries, aimed at resolutely removing barriers to ensure the high effectiveness of policies;
  - Systematically and forthwith revise laws and regulations to conform to signed regional trade and investment agreements and regional practices.

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## OPERATIONALISATION OF EXISTING MRAS & ADVANCING NEW ONES

112. AMS should commit to the full operationalisation and implementation of existing Mutual Recognition Agreements by the end of 2020;
113. The MRA on Type Approvals for the Automotive Sector to be signed and then fully implemented by the end of 2020;
114. Work on MRAs in other key areas (e.g. Food Labelling; Halal Certification) to be accelerated and firm and committed timetables to be published by the end of 2020 for the completion and implementation of them.

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## GOVERNMENT PROCUREMENT

115. AMS should adopt clear, transparent, and cohesive approaches for government procurement, simplifying approaches wherever possible in particular in areas such as digital solutions, crisis coordination, healthcare systems etc. Allowing for true internationally open procurement processes will help build greater long-term resilience and achieve better value for money.

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## CUSTOMS AUTOMATION AND STREAMLINING

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### CUSTOMS AUTOMATION

116. As "social distancing" is one of the key protective measures recommended by the World Health Organization, Customs and other border agencies should protect their staff and the trading community by:
  - Use automation, electronic data processing and e-payments, replacing any paper processes and thus avoiding physical contact during the clearance process;
  - Allow electronic submission of data prior to the arrival of goods and initiate risk assessment in order to release all priority and low-risk shipments upon arrival;
  - Reduce physical inspection to only those shipments identified through risk assessment as high risk;
  - Accept e-signatures, or email authority, or other accepted electronic confirmation on documents currently requiring wet ink signatures.

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## ASEAN SINGLE WINDOW/NATIONAL SINGLE WINDOWS

117. ASEAN Member States to commit to:
  - a. the full implementation of the ASEAN Single Window (and by extension National Single Windows) for the submission of e-Form D (Certificates of Origin) immediately,
  - b. ~~extending the ASW to include electronic submission of all paperwork, applications, licenses and permits required for the import and export of goods by the end of 2022.~~

CTB. 1065.  
MAY 2021

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## SELF-CERTIFICATION PROGRAMME & CERTIFICATES OF ORIGIN

118. Bring forward introduction of single ASEAN-Wide Self Certification Programme from September 2020 to now, with ASEAN Member States agreeing that this is the preferred option for intra-ASEAN goods movements;
119. Expand Self-Certification Programmes for all ASEAN+1 Free Trade Agreements by the end of 2021;
120. Agree to the use of Digital Certificates and Signatures in all transmissions;
121. Amend Annex B Rule 15 of the ASEAN Trade in Goods Agreement to increase the threshold below which a Certificate of Origin (CoO) is not required from the current level of USD200 to USD1000 (note: could be phased, but minimum increase now should be to USD500). This was something for the review of ATIGA, but is something that AMS could agree to now.

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## AUTHORISED ECONOMIC OPERATOR (AEO) PROGRAMMES

122. All ASEAN Member States to formulate an Authorised Economic Operator (AEO) programme, which is aligned with the WCO SAFE Framework and which includes logistics providers and customs brokers by the end of 2020;
123. Develop an agreement that pursues intra-ASEAN Mutual Recognition Agreements (MRA) of AEO programmes, including Authorised Transit Trader programme as set out in AFAFGIT Protocol 7 by the end of 2020. Where possible, give “fast track” priority and cargo prioritization to AEO operators and apply risk-based post-clearance audit for controls, if any;
124. Develop an AEO+ Programme for pandemic situations. Just as they do in AEO programmes for security/anti-terrorism, there should be a predetermined set of measures that parties in a supply chain need to put in place to allow them to resume and prevent COVID spread/address any clusters etc. within each party;
125. Regional standards (e.g. temperature testing, social distancing, adequate reporting/tracing mechanisms, the way shipments are packed/treated etc.) can be a form of AEO+ programme, with service providers pre-cleared for their measures and the programme triggered by a predefined set of circumstances;
126. Whilst Customs might police it, the authorisations and certifications for this programme will need to come from other government agencies or a cross-government body, and they will need to be mutually recognised by all ASEAN countries.

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## MODERNISING CUSTOMS PROCESSES

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### PRE-ARRIVAL AND POST-CLEARANCE AUDITS

127. Introduction of pre-arrival clearance and post-clearance audits across all ASEAN Member States. Many ASEAN countries need to boost post clearance audit capabilities and reduce interdictions and inspections at the border. Streamline paperwork requirement and assessment procedures.



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## ADVANCE RULINGS

128. Customs authorities should adopt a consistent, clear, and transparent communication process to share and receive vital information from stakeholders leveraging technology whenever possible, including for advance rulings in classifications, valuations and determination of rules of origin;
129. Customs authorities to utilise the Advanced Customs Agreement to eliminate the uncertainty in trade transactions and prevent disputes between Customs Authorities and Traders;
130. Adopt the World Trade Organisation (WTO)'s Agreement on Customs Valuation which stipulates the use of the transaction value as the first and most important method of valuation;
131. Introduce a clear dispute resolution mechanism for national and region-wide valuation and classification matters;
132. Advance rulings be applied ASEAN-wide. Rulings related to the application of ATIGA, ASEAN Customs Agreement and other relevant regional Protocols could be recorded in SODs/ Reports of the concerned meetings (CPTFWG, CCC, TWG, CCA, SCAROO, ACCSQ, etc.) and that such decisions be extracted and uploaded on the ASEAN Secretariat and/or relevant business councils' websites. As such, the private sector and relevant stakeholders may refer to and follow such decisions made for similar cases.

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## ASEAN LOW VALUE SHIPMENT PROGRAM

133. ASEAN Leaders to mandate fast progress on this program across the entire region to ease customs bureaucracy and expedite clearances for low value shipments. This will boost e-Commerce and assist MSMEs the most.

## PRIVATE SECTOR CONSULTATION

134. We call on ASEAN and the ASEAN Member States to abide by the spirit and intent of their various statements to consult and involve the private sector at all relevant bodies. We note with some disappointment the very limited time devoted to consultation with the private sector by various ASEAN bodies, including the ASEAN Leaders, ASEAN Economic Ministers, Customs bodies, ATF-JCC, and others. The Chairman's Statement at the 36th ASEAN Leaders Summit stated that the ASEAN Leaders "recognized the importance of public-private sector engagement and urged relevant ASEAN bodies to continue efforts and work closely with the private sector in facilitating trade and investment". Such engagement needs to be more meaningful, in depth, and concerted in nature. We do not consider very short sessions to be adequate engagement.
135. The private sector, through ASEAN BAC and the various Joint Business Councils, stands ready to support ASEAN in the advancement of the ASEAN Economic Community and development of various initiatives to help increase intra-ASEAN trade, attract more investment to ASEAN, and support MSMEs across the region, including through:
  - strengthening awareness and offerings of MSME community platforms that facilitate business connections and skills training to improve MSME resilience and foster business recovery and participation in ASEAN;

- Information dissemination to companies and individuals, as well as communication from and between different governments;
- Building the ASEAN Responsible and Inclusive Business Alliance for engagement to promote responsible business conduct.

136. Establishment of PPP (Public-Private-Partnership) Platform to help facilitate discussion and better communication during the pandemic as an alternative of meetings and video conferences and to advocate disaster preparedness for MSMEs.

## ECONOMIC REOPENING

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### ASEAN PANDEMIC RECOVERY FUND BY ASEAN LEADERS

137. Strongly support the immediate creation of the ASEAN Pandemic Recovery Fund either through the auspices of Asian Development Bank or other multilateral financial institutions for purposes of alleviating the economic impact of the pandemic on AMSs;
138. Use funds from donors and others to address immediate social and economic problems and also use the fund to help build resilience through a responsible and inclusive business framework. ASEAN CSR Network and ABAC have an ASEAN Responsible and Inclusive Business Alliance. This platform can be used to promote responsible and inclusive business. This will contribute to resilience and sustainability over the longer term.

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### FINANCIAL STRUCTURES TO HELP WITH RECOVERY (LONG TERM)

139. ASEAN governments should promote the use of the ASEAN Social Bond Standards, highlighting that alignment with the four core principles (use of proceeds, project evaluation, management of proceeds and reporting) could help in capital raising efforts for businesses and governments across the region. In particular, a bond transaction formally linked to the ASEAN social bond standards can open up issuers to a broader range of investors, including those with explicit ESG mandates for their portfolios;
140. ASEAN governments should consider using blended capital structures - in partnership with development agencies - as a way to attract financing for a greater variety of projects at a larger scale and with longer tenor, as part of efforts to help fund the recovery;
141. Consider measures to unlock capital market financing of infrastructure, such as those related to securitization, legal and tax clarity, bond subsidies, asset recycling and an investment framework which recognizes the rating and valuation issues with infrastructure investments;
142. Meet long-term funding requirements through disaster risk financing including tools such as risk-pooling among ASEAN Member States;
143. Using PPP modalities as well as project bond structures, governments can use post COVID stimulus packages to include infrastructure development programs, especially health related (hospitals, primary care facilities) as well as other essential infrastructure. These can serve multiple goals including resuscitating growth, employment, foreign investment when investors are increasingly looking at ASEAN, and also deep pockets of capital in the ESG and impact investing pools.

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## REGULATORY COHERENCE OF CROSS-BORDER RELIEF MEASURES

144. Regulatory relief measures rolled out by the Monetary Authority of Singapore (MAS) and Bank Negara Malaysia (BNM) in response to the Covid-19 pandemic, has freed up lending capacity and relaxed regulatory, liquidity and operational constraints. These relief measures should be standardised across the region, and include:

- continued relief from countercyclical capital buffers and regulatory reserves;
- deferred implementation on revised frameworks on credit risk, operational risk, output floor and leverage ratio;
- cancellation of 2020 annual stress testing, postponing supervisory exercises and delaying consultations;
- relief measures for banks administering fiscal assistance by setting more realistic accounting loan loss allowances.

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## PROTECTION AGAINST CREDIT RISK

145. Due to the uncertainty around the scale and the duration of the crisis, ASEAN Finance Ministers and Central Bank Governors should agree on a sustainable framework that allows banks to continue financing the real economy without putting their own financial health at risk. As long as banks are advised to adopt a sympathetic approach to dealing with customers facing financial stress due to Covid-19, the risks of increased non-performing loan exposure could create unintended financial stability issues and threaten ASEAN's longer-term economic recovery.

- Have effective pre-financing measures in place that provide liquidity for relief efforts as soon as the disaster strikes;
- Put different measures in place that come to play at different loss levels is economically more viable and sustainable. The Southeast Asian Disaster Risk Insurance Facility (SEADRIF), a recent regional risk pool initiative at an opt-in basis, will only be able to bring limited value in the immediate to short-term future;
- Expand and advance the work done by the ASEAN Disaster Risk Finance and Insurance (ADRFI) working group;
- Build on and replicate the UN Central Emergency Response Fund (UN CERF) by extending the mandate of the ASEAN Disaster Management and Emergency Relief (ADMER) Fund to include the use of innovative risk financing measures, such as risk transfer solutions;
- Agree on a public-private partnership under the lead of a partnering donor to tap into additional disaster aid funding as well as insurance expertise for an effective and sustainable emergency response.

A few points to highlight:

- Due to the relative high cost and frequency of pandemics as compared to other major events/disasters, the public sector will need to finance the majority of the risk;
- Re/insurers can support with risk management through event scenarios and data analytics, claim assessment and funds distribution;
- PPP implementation in the context of pandemics will strongly depend on political priorities and preference in individual countries;
- Besides pandemics, to close the protection gap in ASEAN, there needs to be an effective and comprehensive Disaster Risk Management Strategy.

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## ACCELERATING GREEN AND SUSTAINABLE FINANCING

146. To stimulate growth and achieve the commitments made under the Paris Agreement, AMS must agree on common definitions for sustainable activities and investment practices consistent standards and an 'ASEAN green taxonomy' would help direct private capital towards long-term, environmentally sustainable activities.

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## SUSTAINABLE ECONOMIC DEVELOPMENT

147. New jobs and businesses for a low-carbon economy: to help close gaps holding back long-term growth, AMS should put the following priorities at the centre of their sustainable development strategies:

- Release the next wave of government support to business with climate business conduct
- Invest in renewable power systems and sustainable infrastructure;
- Address the construction sector via incentives for green buildings and green infrastructure;
- Supporting ASEAN's automotive sector while pursuing clean air;
- Providing targeted support to innovative low-carbon activities;
- Facilitating the transition of the fossil fuel industry.

148. Revival of major infrastructure projects in the economic recovery will galvanize the economy and send a positive signal to foreign investors.

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## DIGITAL PAYMENTS AND TOOLS

149. Promote digitization of financial tools and enable the contact free economy through digital solutions such as eKYC, on-boarding, verification, and digitizing trade and supply chain finance, all of which will help with financial inclusion;

150. Incentivize the ecosystem to drive deeper penetration of contactless transactions e.g. at supermarkets, restaurants, fuel, public transport, tolls;

151. Work with private sector to grow penetration of non-traditional/digital payment acceptance solutions e.g. using mobile/software-based point-of-sale solutions that are more affordable and readily available to expand digital payment acceptance at merchants who can't afford acceptance terminals; and digitize/replace cash on delivery with digital means;

152. Consider virtual card accounts as an additional tool for payment, develop and grow instant payment schemes across ASEAN member states in order to assist in times of crisis but also as part of moves towards greater digitization, transparency and efficiency;

153. Work with the private sector to establish protocols around FX market operations for future potential crises and greater digitization of the market in back office and operations to facilitate business continuity and operational resilience, as well as to improve government efficiency and transparency;

154. Explore disbursement of government stimulus funds through e-payment rails that are secure with ability for transactions control capabilities to manage spending on certain categories.

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## DIGITALISATION OF FINANCIAL SYSTEM AND PUBLIC SERVICE

155. Key to progress in recent years has been a combination of ICT development, the use of “agent bank” networks and regulatory frameworks that encouraged them and the existence of national ID schemes linked to centralized databases. Four key areas to progress in this area:

- Develop digital IDs and e-KYC systems to allow easier access to financial system;
- Enable digital payment infrastructure to facilitate financial flows;
- Scale up use of digital finance through supporting account opening/access + e-delivery of government services;
- Design of digital financial markets and systems, featuring SME financing, crop insurance for farmers, etc.; Effective financial inclusion needs a whole of government approach that covers ID, KYC, literacy and skills as foundations and then ICT infrastructure (such as broadband) and other financial infrastructure. Coordination across departments is key.

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## RISK MANAGEMENT

156. ASEAN member states should permit various forms of risk management:

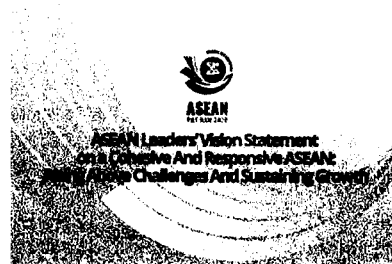
- c. Hedging – especially among public sector entities, in order to allow for greater risk mitigation options and to take a longer-term approach;
- d. Explore the potential for individual or collective pandemic bond issuance as part of ASEAN member states’ disaster risk financing strategies;

157. In order to prevent the next crisis, ASEAN government should consider encouraging more debut transactions from sovereigns and public sector entities in the region across green, social and sustainability bonds; expanding the remit of sustainable finance to include social and sustainable instruments; publishing guidelines for so-called transition bonds; and developing common frameworks for promoting more consistent disclosures.

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## SUPPORT FOR MSMES

“Cushion shocks, particularly to vulnerable economic sectors and businesses, including the Micro, Small and Medium Enterprises (MSMEs), start-ups and enterprises in the informal economy, shoring up business viability through tax relief, credit and corporate support; promote business opportunities and facilitating the possible shifting of production business models”



ASEAN LEADERS' VISION STATEMENT ON A COHESIVE AND RESPONSIVE ASEAN: RISING ABOVE CHALLENGES AND SUSTAINING GROWTH HA NOI, 26 JUNE 2020

158. The SMEs form the backbone and a key component in the economic growth of ASEAN and dialogue partners. The COVID-19 containment measures have severely impacted these SMEs as their business operations have remained closed for more than a few weeks and will need support to help them recover. Individual governments' stimulus packages are not that substantive for SMEs to stay afloat and at the same time keep its workforce.

159. Digital transformation for the SMEs:

- Assist local SMEs to expand their business online and utilize digital means for paying and accepting payments;
- Enable digitization of SMEs and local businesses through capacity building initiatives;
- Campaigns that drive awareness and sales for local SME brands and local merchants to mobilize consumer traffic to them;
- Delay, reduce or waive tax payment obligations; provide for reduction in or extended payment of commercial rents and utilities (e.g., by waiving property tax for commercial landlords and requiring this to be passed to commercial tenants); and provide access to capital at zero percent interest.
- Train for digitalization and continue the support SMEs by helping the transition from offline to online business model and enabling SME access to funding (e.g. relaxing eligibility requirements for FinTech loans, allowing e-commerce platforms to provide "proxy" credit ratings for loans through sales history and performance metrics, etc.);

160. Campaigns that drive awareness and sales for local SME brands and local merchants to mobilize consumer traffic to them;

161. Delay, reduce or waive tax payment obligations; provide for reduction in or extended payment of commercial rents and utilities (e.g., by waiving property tax for commercial landlords and requiring this to be passed to commercial tenants); and provide access to capital at zero percent interest;

162. Governments to establish an SME Procurement Participation Policy/Charter which requires/encourages government agencies to give SMEs a full, fair and reasonable opportunity to participate in major projects and procurement programs - and includes supportive practices like shortening of government invoice payment times to SMEs;

163. Government to establish a COVID-19 Insolvency Policy which allows legitimate entrepreneurs (those that failed because of COVID-19 - not due to their inability or illegitimate practices) to recognise their commitments from bankruptcy, but are able to get back to business as quickly as possible;

164. Companies with labor-intensive operations identified availability and possible subsidies for personal protective equipment (PPE) for employees as operations ramped back up.

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#### SUPPORT FOR FARMERS/AGRICULTURE

165. We should emphasize more effort toward improvement and development of sustainable agriculture that would provide affordable and healthy food for all;

166. Facilitate access to SME funds for agricultural farmers, producers during recovery phase and looking forward to the future;
167. Smallholder farmers must be supported to secure market access such as through e-commerce solutions, temporary economic assistance, low interest loans or access to capital.

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#### OTHERS

168. Implement the ASEAN Guidelines for CSR on Labour and promote responsible and inclusive business practices through the ASEAN Responsible and Inclusive Business Alliance.
169. Business may need to come up with some update model that can help more sectors of employees including freelancers.

#### SECTORAL SUPPORT

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##### TRAVEL & TOURISM SECTOR

170. Implementation of practical "green corridors" between countries and regions for individuals and/or countries at low risk of virus transmission. These corridors will be an incentive for exporters in member countries to place a high priority on 'qualifying' and help to build momentum for sustainable trade. This will be particularly important if tourism is to make a strong and relatively fast recovery and be entrenched in the long term;

171. Collaboration on removing travel restrictions and safe travel policies: Cross country collaboration is essential. Asean countries cannot optimise around themselves. It requires a regional/global collaboration on health definitions and safe travel policies;

172. ~~Instilling confidence to inspire tourists to "come and stay" by instituting Covid-19 Compliant attractions.~~ *(Initiatives)* In the immediate term, initiatives such as "XX Clean" (similar to 'SG Clean') that require tourist locations to comply with certain hygiene standards would help instill some confidence. At the same time, a continuous monitoring mechanism would be required to ensure on-going compliance with the "XX Clean" hygiene standards, which would entail additional cost on the part of the policy enforcer and additional burden of compliance on the entity itself;

173. Setting-up ASEAN Guideline/Criteria Measurement for the tourists and/or business-like consideration. This recommended measurement is to build confidence and assurance that the ASEAN country/city of destination has strong and solid protection and preventive measures to be considered as a healthy and safe destination for visit. This would also enhance the auxiliary services sector like logistics to continue operating seamlessly with minimal disruption to ensure the availability of essential goods for visitors;

174. Two ways of stimulating demand for the short term:

a. a **time-limited income tax credit** for private expenditures of, for example, up to 100 Euros for a minimum 3 days stay in a domestic accommodation;

b. a temporary revocation of VAT/GST taxes on accommodations;

It will take confidence building measures for travel to rebound. This makes a fiscal stimulus to accelerate recovery even more important;

175. Unified immigration control and visa issuance measures are needed especially for essential workers, top management on regular replacements and necessary skilled engineers and trainers for smooth operation in factories and operational grounds. Specifically:
- a. Business travels should be allowed subject to the health and safety protocols instead of a total travel ban;
  - b. Adopt mutual recognition for testing, tracing, and other health protocols to support resumption of business travel;
176. Set up public-private dialogues or partnerships, or the creation of industry consultation mechanisms that focus on protecting human capital through supporting affected sectors to stimulate demand, and reskilling and upskilling programs for sectors impacted by the crisis.

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#### AUTOMOTIVE INDUSTRY

177. Coordination across borders: Governments need to help coordinate the return to a new normal. OEMs rely on complex international supply chains, and interruptions in one country can have catastrophic effects in another;
178. Supply chain need to assume by the same rules everywhere, with a coordinated opening up of retail operations and coordinated opening up of vehicle registration authorities (otherwise no demand for new vehicles);
179. Policies to kick-start consumption: It's necessary to introduce incentive schemes to kick-start consumption again. As the Covid-19 crisis has brought all segments to a halt, such policies need to work as broadly as possible. They need to affect all market segments - small/big cars, volume/premium brands, private/business customers and so on. Such incentives will have a multiplier effect and benefit the entire society;
180. Focus incentives on low-polluting eco-friendly vehicles with the ultimate aim of achieving Euro 6d or even higher standards in addition to E-mobility, and incentives for charging installation will boost E-mobility, as well as having multiplier effects in local community (someone needs to install);
181. ~~Pause new policies & regulations (a.k.a. Moratorium). Automotive players will fully comply with regulations that have already been passed, e.g. CO<sub>2</sub> and Emission requirements.~~
182. ~~However, in these challenging times, introducing further regulatory burden on the industry should be avoided. Now is not the time to accelerate any regulations that require technical updates. Extend the implementation timeline of new regulations by the same time that Covid-19 has set us back.~~

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#### LOGISTICS SECTOR: SUPPORT FOR BUSINESS RESUMPTION AND RECOVERY

183. Many businesses will fail during this period and many of these will be small to medium enterprises including importers and exporters. Because of mandated business closures or limited hours of access, the ability to generate or sustain revenue is dramatically declining. The following are some ideas to improve cash flow for these businesses and prepare them for recovery;
184. Provide for waiver/reduction or deferments, additional days for payment of customs duties, taxes and fees as well as other customs debts. Where customs authorities waive/reduce/defer payment of import duties, taxes, and fees, this needs to be communicated clearly with trade stakeholders, who may not be fully cognizant of the meaning, resulting in significant and unexpected back duties payable down the line;



185. Grant financial relief measures beyond items included in point above and reduce or eliminate, for example, fees for import licenses required under other regulations. This is especially important when many government agencies will be operating with limited staff and when many of these licenses have to be applied for in person;
186. Suspend periodic customs audit or inspection during 2020 for enterprises which have no record of non-compliance;
187. Waive interest charges for late payments;
188. Extend time frames for filing claims, appeals, and other trade measures;
189. Prepare, update and activate business continuity and trade recovery plans to ensure the timely, smooth and orderly resumption of trade and manufacturing. Industry will require raw materials, parts and machinery to generate goods and services as recovery begins. Governments in general, and border agencies in particular, including Customs administrations should coordinate and provide actions to ensure the borders are open and move the flow of goods across border with maximum efficiency;
190. Ensure the possibility of extensive consultation with stakeholders in the private sector before implementation of new programmes, given the challenges of providing for meaningful Customs- business dialogue during recovery, communication between all government agencies at the border and the private sector will be critical to recovery;
191. We suggest ASEAN governments to continue improving soft and physical infrastructures to help boost trade across the border.

## **EMBRACING INDUSTRY 4.0**

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### **IDENTIFICATION OF SKILLS GAPS IN ASEAN**

192. Government, with support of the business and education sectors, conduct a review to establish a program of skills initiatives and funding, with a particular focus on digitalisation, that reforms the traineeship and degree systems and offerings in making jobs for the future;
193. In priority skill and market areas across ASEAN, establish pilot partnerships between government, business and education sectors to develop and implement skills development plans relevant to rapidly changing industry needs - to prove how the 3 sectors can work effectively together in making jobs for the future.

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### **TVET, TRAINING & INTERNSHIPS**

194. Under TVET digital traineeships, introduce business internships where a trainee assists an MSME improve their digital business capability (skills and tools);
195. Under higher education IT degrees, introduce business internships where a student assists an MSME develop their digital business plan (strategies and tactics);
196. Develop an ASEAN-wide program of global virtual internships which includes the collaboration of ASEAN +1 partners aimed at providing ASEAN graduates quality internship opportunities remotely. This also promotes the global move towards increased digital/remote work, as well as promoting international collaboration and doing business across borders;

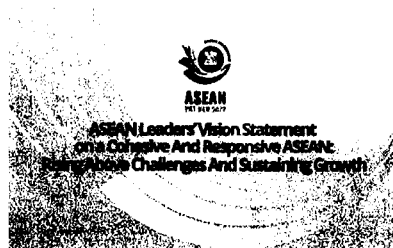
197. Government, with the support of the business sector, establish an ASEAN program of Public Sector Policy Reform Training Programmes to accelerate skills development in reforming policy and governance environments for economic recovery and growth across the region;
198. Cross-skilling tourism sector jobs that may fundamentally change: A significant number of people working in this hospitality and tourism sector would need to be cross-skilled/re-skilled as their services may now longer be relevant in the new age of Covid19 tourism. For example, human tour guides are likely to potentially be replaced by “virtual” tour guides, so what alternate jobs/skills need to be created to cater to such people. Such training will require investment by the government in driving How to kickstart the travel sector.

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## SUPPORT FOR E-COMMERCE & DIGITAL ECONOMY

“14. Further strengthen efforts to bridge the digital divide and grow the digital economy by promoting enabling environments, including through the establishment of digital transformation frameworks to facilitate digital trade and enhancement in digital connectivity.”

ASEAN LEADERS' VISION STATEMENT ON A COHESIVE AND RESPONSIVE ASEAN: RISING ABOVE CHALLENGES AND SUSTAINING GROWTH HA NOI, 26 JUNE 2020



199. Establish the national digital transformation programs to help build up:
- a. an effective, efficient and transparency E-Government, a Digital Economy to promote innovation, create new values, help increase labor productivity and momentum;
  - b. a Digital Society which provide equality to the people in terms of access to services, training, knowledge, help narrowing the development gap, reducing inequality, and improve the people quality of life.
200. Recognize ICT companies as an “Essential Service” and in addition recognize the role of their suppliers as essential (e.g. packaging, chassis);
201. To spur the growth of digital economies in ASEAN, we encourage ASEAN governments continue with initiatives that promote the fundamental blocks of e-commerce and digital trade: **Use for e-payments** (both domestic and cross border payments), encourage e-invoicing and recognizing e-receipts (as a basis to promote electronic transactions), and digital contracts execution (including use of e-signatures);
202. Encourage all Member States to ratify the ASEAN e-Commerce Agreement; Actively engage in continual dialogue with key stakeholders and academia on the emerging use of technology in business and its socio-economic implications; Conduct exchanges with the Government of Canada to share knowledge, experience and best practices regarding e-commerce laws affecting B2B and B2C transactions and taxation of trade in digital goods and services;

203. Contact-free and digital services: With the new demand for contact-free and digital services, ASEAN should support the shift towards online channels and service-focused business models. Liberalisation of digital trade and e-commerce should be prioritised to allow digital service providers to operate cross-border more efficiently;
204. Early introduction of e-signature/e-authorization even with CLM countries, which is stipulated in Article 7-1 and 7-2 of the ASEAN Agreement on Electronic Commerce <http://agreement.asean.org/media/download/20190306035048.pdf>;
205. Need for ASEAN member states to streamline and improve eCommerce regulations to meet the needs of consumers. To accomplish this, harmonization of eCommerce regulations is needed based on international best practice.

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## DATA FLOWS, PRIVACY, CLASSIFICATION, STANDARDS AND LOCALIZATION

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### DATA FLOWS & DATA PRIVACY

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206. Government, with peak industry groups, develops a stringent and effective set of regulations addressing data privacy, consumer protection and cyber security;
207. Secure Cross Border Data Flows: Recognise that data is the lifeblood of the new economy and data localisation policies do not support its growth. Instead, ASEAN leaders need to take advantage of leading security technology to promote secure cross border data flows based on harmonized norms which are compatible with widely-accepted rules (e.g. GDPR).

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### DATA CLASSIFICATION & STANDARDS

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208. To develop test-bed environments and data definition or transaction guidelines in ASEAN for accelerating digital adoption in this region;
209. Interoperable Data Classification Framework: Data should be classified using the same tiers and standards across different sectors as far as possible, while recognising that certain sectors may have special requirements;
210. To be GDPR compatible ASEAN: to develop data frameworks compatible with GDPR where some elements are adopted to local law. When GDPR and local law requirements are compatible the cost of compliance (while benefitting from good data governance regimes) will be reduced and the benefits of using data will be enhanced;
211. ISO Standards GDPR: does not prescribe technical standards and the use of ISO standards is recommended in a harmonised way across the ASEAN region;
212. Implement regional digital frameworks
- a. Already agreed digital frameworks like the 'Information Communications & Technology Masterplan 2020', the 'ASEAN Digital Integration Framework Action Plan', and the 'ASEAN Framework on Digital Data Governance';
  - b. need to be fully implemented across AMS to help integrate specific country rules and regulations. This would also deliver gains for consumers, who would have easier access to goods and services produced in the digital economy from all countries.

213. Develop enabling ICT policies and progressive data governance frameworks that are risk-based, principles-driven and interoperable to enable innovation, and promote cross border data flows while reviewing data localization requirements to allow for greater data flows. Such data classification frameworks should be treated as voluntary and serve as guidelines, as companies would comply if the frameworks take into account recognition of international and industry data security and classification standards.

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#### DATA LOCALISATION

214. To encourage continued investment and innovation in ASEAN Digital Economy encourage continued elimination of data localization requirements;
215. Pursue commonly agreed-upon transfer assurance mechanisms (ideally systems which allow multiple methods of demonstrating adequacy);
216. Oppose source code inspections/release requirements.

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#### DIGITISATION OF HEALTH SERVICES & SUPPLIES

217. Encourage digitization for medical devices to improve productivity in the healthcare industry, and avoid manual operation that might increase the risk of cross-infection by healthcare personnel. Support mitigation of new challenges/risks for Internet of Medical Things e.g. cybersecurity, interoperability and training for operators;
218. Review hurdles and mitigate risks for remote work, health and education environments such as requirements for hosting solutions on-premise or for in-person medical consultations of prescriptions, and empower organizations and individuals to ensure their data security and privacy.

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#### INCENTIVISATION & FINANCIAL SUPPORT FOR DIGITAL SECTOR

219. Facilitate ICT sector-specific funding and tax relief in the form of reducing or waiving sector-specific taxes, excise duties and fees related to mobile and broadband communications, data, mobile money transactions and international gateways;
220. Incentivize innovation and support investments in ICT Infrastructure by maintaining and upgrading advanced mobile networks broadband capacity and 5G acceleration; and creating flexible, simplified regulatory frameworks for service providers;
221. The digitalization of ASEAN economies should become the key pillar for development of the new ASEAN post Covid-19. That will include both public and private sectors;
222. Special funds should be allocated to associations promoting the use of technology in society or the promoting the players in this field, especially the young start-up communities in co-working spaces, institutions, academies. and companies;
223. A digital transformation that can help the various sectors supply chain such as food/agriculture production, others is really the real critical subject of discussion, to be able to bypass the next Covid.

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## DIGITAL INFRASTRUCTURE

224. Promote extensive digital technology applications with focus on the development of telecommunications infrastructure including mobile broadband infrastructure by focus on expanding and increasing the speed the fiber optic network of Internet to households; expand coverage, improve 4G service quality and gradually deploy 5G effectively, invest in data centers, cloud infrastructure, the basic components of digital infrastructure;
225. Enhance the sharing of infrastructure to save costs, promote cooperation in developing applications and services that bring values to society such as: smart logistics, smart cities, and support and promote online services.

## CONCLUSION

The compilation above is a long list of recommendations. Notwithstanding its length, these recommendations are, however, not a wish list, but essential steps that must be taken, even if they have to be prioritized.

We, members of ASEAN BAC and the Joint Business Councils, have therefore proposed the establishment of the Asean High Level Special Commission (AHLSC) to navigate the region through the massive crisis it is facing with timely decisions which cannot wait on normal Asean process of decision-making.

The private sector stands ready to assist and participate in the AHLSC decision-making by setting up the Special Business Advisory Board (SBAB). Time is of the essence and full cooperation between ASEAN governments and the private sector is critical in ensuring that all member states bounce back from this crippling crisis of our life time.



## ABOUT ASEAN BAC & THE JOINT BUSINESS COUNCILS AND ASSOCIATIONS

Launched in April 2003, ASEAN Business Advisory Council (ASEAN BAC) was set up with the mandate to provide private sector feedback and guidance to boost ASEAN's efforts towards economic integration. Aside from providing private sector feedback on the implementation of ASEAN economic cooperation, the Council also identifies priority areas for consideration of the ASEAN Leaders.

Accordingly, ASEAN BAC's activities are primarily focused on reviewing and identifying issues to facilitate and promote economic cooperation and integration. The council also submits annual recommendations for the consideration and integration of the Leaders and the ASEAN Economic Ministers (AEM).

Since 2013, ASEAN BAC also pursues additional Dialogue with Senior Economic Official Meeting (SEOM). While since 2016, ASEAN BAC also had a formal engagement with ASEAN Finance and Central Bank Deputies during the annual ASEAN Ministers Meeting, where a proposal was made for ASEAN BAC to be accorded regular consultation with ASEAN Finance Ministers in the future. In addition to these activities, ASEAN BAC also extensively engages the private sector on matters relating to the AEC, both within and beyond the Southeast Asian region.

In 2013, ASEAN BAC created the Joint Business Councils (JBC) as a cooperation with ASEAN Plus One Business Councils and Associations that are legally incorporated and officially recognized by ASEAN Governments or by the respective Governments of the Dialogue Partners of ASEAN. The JBC serves as a platform for business council and associations to pool together their resources and ideas and push through various initiatives to help strengthen local SMEs and securing investments into the region, while also uniting many voices into one as a policy recommendation to the ASEAN Government.

For further information on ASEAN BAC, please visit [asean-bac.org](http://asean-bac.org).



**ASEAN-BAC**




**DIGITAL ASEAN FOR SUSTAINABLE DEVELOPMENT**

## KNOWLEDGE PARTNER



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**ASEAN-BAC MEMBERS**



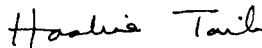
Arin Jira  
Thailand  
ASEAN-BAC Co-Chair



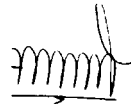
Dr. Doan Duy Khuong  
Vietnam  
ASEAN-BAC Chair 2020



Hon. Ar. Siti Rozaimeriyanty  
DSLJ Hj Abd Rahman  
Brunei ASEAN-BAC Co-Chair

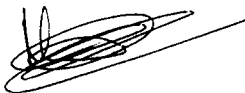


Haslina Taib  
Council Member



Musa Adnin  
Council Member

**Cambodia**



Neak Oknha Kith Meng  
ASEAN-BAC Cambodia Chair



Oknha Van Sou Ieng  
Council Member



Oknha Sok Piseth  
Council Member



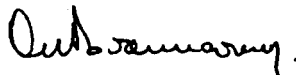
Bernardino Moringka Vega  
ASEAN-BAC Indonesia Chair



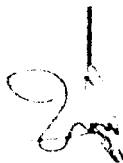
Adrian Gunadi  
Council Member



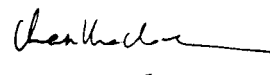
Maspiyono  
Council Member



Oudet Souvannavong  
ASEAN-BAC Indonesia Chair



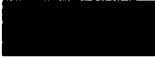
Thanongsinh Karlagna  
Council Member



Chantachone Vongsay  
Council Member

Malaysia

Tan Sri Dato' Dr. Mohd Munir Abdul Majid  
ASEAN-BAC Malaysia Chair

  
Raja Singham  
Council Member

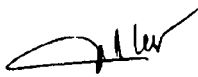
U Zaw Min Win  
ASEAN-BAC Myanmar Chair  
Myanmar Federation of Chambers of



Moe Kyaw  
Council Member  
Myanmar Marketing R



U Thaung Tin  
Council Member



Jose Ma. A Concepcion III  
ASEAN-BAC Philippines Chair

George Barcelon  
Council Member



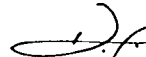
Michael Tan  
Council Member



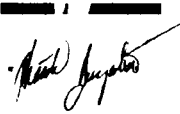
Dr. Robert Yap  
ASEAN-BAC Singapore Chair



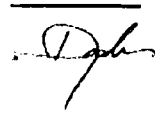
Dato Seri' Douglas Foo  
Council Member



Rachel Eng  
Council Member



Phaius B. Burapac  
Council Member



Kobsak Duangdee  
Council Member

Vietnam

Nguyen Thi Nga  
Council Member

Pham Dinh Doan  
Council Member



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 Chris Humphrey  
 Executive Director



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 Amb. Michael Michalak  
 Senior Vice President  
 And Regional Managing Director



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 David Catty  
 Delegate to ASEAN-BAC



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 Toru Ishida  
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 Eleanor Mak  
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 Jodi Weedon  
 Executive Director



*Riss Hunter*  
 Riss Hunter  
 Executive Director



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 Shamini Sakthinathan  
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 Daniyar Akkaziev  
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 Dato' Ramesh Kodammal  
 Co-Chairman



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 Wayne C. Farmer  
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Tan Sri Dato' Dr. Munir Abdul Majid  
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Matthew Kovac  
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Richard Andrew  
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*Thomas Thomas*

Thomas Thomas  
CEO



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Mingkwan Metmowlee  
President



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George Abraham  
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Deborah Bottreau  
Secretary General