

MEDIA RELEASE

MALAYSIA HOSTS WORLD LEADERS AT ASEAN BUSINESS AND INVESTMENT SUMMIT 2015

Importance of increased public and private partnership takes center stage at ABIS 2015

ASEAN Strategic Action Plan for SME Development 2016-2025 Launched

Kuala Lumpur, 21 November 2015: ASEAN Business & Investment Summit (ABIS) 2015, hosted by the ASEAN Business Advisory Council (ASEAN-BAC) on 20th and 21st November, called upon businesses across ASEAN to embrace the impending establishment of the ASEAN Economic Community (AEC). The summit also called upon broader group of public and private sector attendees to work together for the growth of ASEAN region. The first day of the Summit was inaugurated by the Prime Minister of Malaysia, Dato' Sri Najib Razak and attended by several ASEAN Economic Ministers. The second day of the Summit was attended by the President of the United States, Barack Obama, the Prime Minister of Japan, Shinzo Abe, and the Prime Minister of India, Narendra Modi. Speaking to ASEAN businesses and leaders, the three leaders spoke about the importance of increased partnership between ASEAN and other nations for sustainable socio-economic growth.

Day one highlights

Attended by over 800 people, Day One of the Summit involved open and robust discussions about how to advance the public-private partnership (PPP) agenda, seen as critical in ensuring ASEAN economic development that is sustainable and beneficial to its people and future generations. Day Two of ABIS, following speeches by the American, Japanese and Indian heads of state, saw increased focus on SMEs with targeted dialogues and the launch of the ASEAN Strategic Action Plan for SME Development 2016-2025.

Key highlights of Day One, 20 November:

- Handover of the ASEAN report by Tan Sri Dr. Munir Majid to the Prime Minister of Malaysia, Dato' Sri Najib Razak
- Launch of the 'Growth Accelerator Exchange' (GAX)
- Launch of OECD Economic Outlook for Southeast Asia report

Key highlights of Day Two, 21 November:

- Address by the President of the United States, Barack Obama, focusing on benefits of the Trans Pacific Partnership
- Address by the Prime Minister of Japan, Shinzo Abe, focusing on Japan's commitment to partnerships with other Asian nations
- Address by the Prime Minister of India, Narendra Modi
- Launch of the ASEAN Strategic Action Plan for SME Development 2016-2025, developed by ASEAN SME Working Group for Micro, Small and Medium Enterprises

Speaking from a private sector perspective, Tan Sri Dr. Munir Majid, Chairman of ABIS 2015 noted that the discussions and action items from ABIS marked the beginning of a long-term journey for the region, stating: "There is a disparity between what is officially recorded as having been achieved in fulfillment of



the AEC and what the private sector report as their experience conducting business across the many member states of ASEAN.”

Tan Sri Munir also highlighted a few challenges lying ahead for the region as the AEC agenda moves forward. “ASEAN is an association of states seeking to become a community of nations. There is no surrender of individual state authority to any supranational ASEAN body. This does not make the process of achieving and realizing objectives of the AEC easy. There is no authoritative driving force to forge integration or to enforce commitments made.”

Statistically, the region is well on track to achieve its targets. Based on a presentation by H.E. Dr. Lim Hong Hin, Deputy Secretary-General of ASEAN for ASEAN Economic Community, as of end October 2015, 469 (92.7%) out of 506 measures have been implemented as planned, which included key areas such as tariff elimination and alignment to international standards.

As the region races towards the finishing line, Tan Sri Munir suggested two critical commitments be made to realize the aspirations of AEC: Firstly, the removal of non-tariff barriers and measures – a prime objective to be achieved by the end of 2016, which is also the very first year of AEC’s existence; the second commitment being the encouragement of a greater, better, and smarter public-private sector collaboration.

On the whole, it was noted that the economic development of the region has been progressing smoothly. Professor Hafiz Mirza from The Investment and Enterprise Division of the United Nations Conference of Trade and Development noted that ASEAN is currently the largest FDI recipient in the developing world. Outward FDI from ASEAN countries continues to grow rapidly, while intra-ASEAN investment rose 23% in 2014.