



ASEAN BAC Response to ASEAN Leaders’ Declaration on COVID 19 Pandemic

(For Immediate Release)

ASEAN Business Advisory Council urges ASEAN Leaders to take urgent measures to ensure uninterrupted supply chains for essential food, intensify ASEAN-wide trade facilitation and plan for the gradual reopening of the economy to restore market confidence

(Jakarta, 16 April 2020) We commend our ASEAN Leaders, under the Chairmanship of H.E. Nguyen Xuan Phuc, Prime Minister of Viet Nam, for staging a Special Summit through videoconference on 14th April 2020 to put together the much-anticipated ASEAN Collective Response to the Outbreak of Coronavirus Disease 2019. In these most trying times, when the effectiveness of multilateralism is put to a serious test, we hope that the call to make ASEAN Cohesive and Responsive will be truly fulfilled in this defining moment.

We have read with satisfaction and taken careful note of the principles, elements and directions contained in the Declaration that will guide us forward. We have also noted with appreciation the different initiatives and measures undertaken by the ASEAN Member States in addressing the needs of the most vulnerable especially our MSMEs as put together by the ASEAN Secretariat.

On the economic front, we fully appreciate and support the expression of the Leaders’ reaffirmation of its *“commitment to take collective action and coordinate policies in mitigating the economic and social impact from the pandemic, safeguarding the people’s well-being and maintaining socio-economic stability”*.

However, we believe these unprecedented and extra-ordinary times, urgently warrant bold and decisive action to create confidence and assure our markets, businesses and peoples at national levels and more so at the regional level. At this critical juncture, we have to work together and gradually get the ASEAN economic engine up and running again – with all the critical health and science-related issues carefully considered in such a delicate transition.

As ASEAN BAC and its partners stand united with its Leaders in this “war” to contain COVID 19, we the private sector put forward for the Leaders’ immediate consideration the following:

1. Food Security

- a. Preclude delay and ensure uninterrupted production and supply chains of essential food and beverage, including the preservation of open borders for goods, both at



upstream and downstream levels, whilst working closely with governments to assist them in their fight to contain COVID-19.

- b. 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 the workplace.
- c. Ensure public and private consultation for any policy decision around the supply of food to mitigate the effects of the crisis as much as possible.

2. Gradual re-opening of the economy

An over-extended lockdown scenario will have irreversible consequences for the livelihoods of our people and the economy as a whole. Thus, a well-calibrated reopening of economic activity is proposed for cities, municipalities or towns sufficiently established by authorities to have contained the epidemic that would allow less-controlled movement of people, trade and commerce especially for providers of essential goods and services.

3. Trade Facilitation

- a. Mandate the public sector to use this time as an impetus to fast track ease of regional trade reforms and with resolve eliminate non-tariff barriers especially for essential and critical goods and services (e.g. food and beverage, agriculture, medical, education and the like).
- b. The reforms will also enhance the preparedness of ASEAN to absorb redirection of supply chains from China to Southeast Asia to preclude recurrence of shortages of key inputs especially for medical purposes produced solely or mainly from China as highlighted by the pandemic.
- c. Mobilize the private sector to produce standard face masks and shields and personal protective equipment (PPE), and to use supply chain connections to make ventilators and other medical equipment available at national and regional levels.

4. Social Safety Nets

- a. Encourage the private sector, particularly large corporations, to provide financial and other assistance to the effort, as well as to continue payment of salaries to their employees.
- b. While governments are doing its best to provide assistance to those affected by mass layoffs, daily wage earners and those belonging to the lower level of the economic pyramid, we see the need to strengthen unemployment insurance, universal healthcare, workers' compensation and paid sick leaves and allow more investments in public health.



5. **ASEAN Pandemic Recovery Fund** – We strongly support the immediate creation of this 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.

6. **Regional Comprehensive Economic Partnership (RCEP)** – The RCEP should be ratified as soon as possible. What was becoming clear even before the COVID-19 crisis, with protectionist policies and the trade war, is the greater regionalization of the world economy. ASEAN-BAC believes we have to generate regional economic growth and cooperation to compensate for the failing global trade order. Now, for the sharply falling global demand.

7. **The voice of private sector** - The leaders spoke of the economic recovery plan in the post-pandemic period. ASEAN-BAC wishes to be actively involved in that plan to ensure, inter alia, so many of the barriers to greater regional economic integration are removed, and that the interests of MSMEs, the backbone of the ASEAN economy, are suitably advanced.

ASEAN BAC and its partners convey its readiness to help ASEAN drill down on these immediate short- term measures for their effective roll out and execution.

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