South-East Asia Summit 2015

Full steam ahead?

August 20th 2015 • The Westin Kuala Lumpur, Malaysia

Will 2015 be the year South-East Asia’s economic integration finally comes of age? With a GDP of over $2 trillion, the 10-country Association of South-East Asian Nations (ASEAN) region is already the world’s seventh-largest market. Its governments and industry hope the ASEAN Economic Community (AEC), due to come into effect at the end of this year, will provide a welcome boost to investment and trade.

Yet South-East Asia faces several distinct challenges. The AEC has already been delayed. While there has been much talk about its potential, businesses are taking a wait-and-see approach. Governments around the region are enthusiastic about the AEC’s merits, but given the vast economic inequalities between ASEAN members one can wonder how evenly the gains will be shared.

The region has no shortage of grand infrastructure plans, but the need is so great that investment struggles to keep up. The China-led Asian Infrastructure Investment Bank (AIIB) could help fill South-East Asia’s immense financing needs, but many wonder whether security concerns will stop it fulfilling its role. Meanwhile, technology and low-cost travel are reshaping South-East Asian industries from the ground up. Will start-ups leapfrog the obstacles to regional integration before governments can (sometimes reluctantly) manage to tear them down?

The South-East Asia Summit 2015 will examine the region’s march towards economic community. Will South-East Asia look substantially different a year from now? Who will the winners and losers be? Is it really full steam ahead for the AEC?

Conference chair
Charles Goddard, editorial director, Asia-Pacific, The Economist Intelligence Unit

Moderators
Simon Long, Banyan columnist, The Economist
Kevin Plumberg, senior editor, thought leadership, Asia, The Economist Intelligence Unit
8.00am  Registration and networking refreshments

8.45am  Opening remarks
Welcome and overview from the conference chairman.

Charles Goddard, editorial director, Asia-Pacific, The Economist Intelligence Unit

9.15am  Keynote panel: Economic community— Full steam ahead?

South-East Asia has a growing middle class, a relatively cheap labour force and GDP of over $2 trillion. Its economic promise is clear. Yet, to fully realise its potential, the region will have to channel investment into critical areas.

Governments and industry alike hope the AEC will be a catalyst for growth. The trade agreement promises freer movement of goods, capital and labour between ASEAN’s ten countries—which in theory should boost the economies of all. But is this too optimistic a view?

Can businesses operate seamlessly across borders of so many countries at such different levels of development? Singapore’s GDP per person in 2013, for instance, was more than 50 times that of Cambodia. Inconsistent and overlapping regulatory regimes also raise questions about how realistic expectations of the AEC are—at least in the short term. If the AEC is to be successful, all South-East Asian countries need to believe that they benefit from it. But doubts remain about whether enough is being done to bring smaller members into the fold.

Will the AEC create a level playing field for South-East Asian countries, or exacerbate inequalities? How robust and compelling is the consensus around the AEC? To what extent will the least developed ASEAN members benefit? And what can policymakers across South-East Asia do to ensure the AEC fulfils its promise?

Speakers
Stephen Groff, vice-president, East Asia, South-East Asia and the Pacific, Asian Development Bank
Nazir Razak, chairman, CIMB Group
Chea Serey, director-general of central banking, National Bank of Cambodia
Roberto Tan, treasurer of the Philippines, Bureau of the Treasury and undersecretary of the International Finance Group, Department of Finance

Moderator
10.05am  **Panel discussion: the view from business**

As the AEC deadline looms, how are different industries preparing for regional integration? This granular discussion will shine a spotlight on key sectors in the region. We invite business leaders to comment on their preparations for the AEC, what they see as the most significant opportunities and challenges, and the effect it will have on growth prospects in their industry.

**Speakers**
Mohd Emir Mavani Abdullah, group president and chief executive officer, *Felda Global Ventures*
Satoshi Tanaka, chief executive officer, Asia-Pacific, *Mitsui*
Minh Do, chief investment officer, *Vingroup*
Zhou Fang, president, South-East Asia, *ZTE*

**Moderator**
Kevin Plumberg, senior editor, thought leadership, Asia, *The Economist Intelligence Unit*

10.55am  **Networking break**

11.25am  **Spotlight interview: Banking on infrastructure**

That ASEAN needs infrastructure investment is clear. By 2030, the region will need over $2 trillion worth of new hard infrastructure to support its increasingly urbanised population. New sources of funding will be required to meet this need, but it is not yet clear where all the money will come from.

Optimists hope that China’s “One Belt, One Road” initiative—through which it aims to build land and maritime “silk roads”: infrastructure corridors linking China to South-East and Central Asia—will converge with ASEAN’s own infrastructure plans. The Asian Infrastructure Investment Bank will start with $50 billion capital when it gets off the ground in late 2015. But there are still big questions about how the bank will operate, what role it will play in South-East Asia, and how it will cooperate with existing lenders such as the World Bank and Asian Development Bank.

One thing that is certain is that more private capital will be needed. How strong is investor interest in South-East Asia given the slowdown in emerging market growth? Can home-grown capital fill at least some of the gap?
Speaker
Jordan Schwartz, head, Global Infrastructure Facility and acting director, Singapore, World Bank Group

Moderator
Simon Long, Banyan columnist, The Economist

11.45am In conversation: policymakers

Speakers
Abdul Wahid Omar, minister in the prime minister’s department, Economic Planning Unit, Malaysia
Gregory Domingo, secretary of trade and industry, The Philippines

Moderator
Charles Goddard, editorial director, Asia-Pacific, The Economist Intelligence Unit

12.20pm Networking lunch

1.40pm Panel discussion: Trading on growth—Stuttering supply chains?

South-East Asia has emerged as a key link in global supply chains and a major trading partner for other Asian economies. A relatively cheap (yet increasingly well educated) labour force, a growing consumer class and abundant natural resources make the region a hot target for investors. Yet a lack of transparency and persistent corruption in some markets makes doing business tricky. Despite the promise of the AEC, a hotchpotch of regulatory regimes still hampers local and multinational businesses trying to expand around the region.

How do multinational businesses harness South-East Asia’s unique characteristics to manage their supply chains? What will greater economic integration mean for the large local conglomerates that operate across the region? Can South-East Asia cement its position as a global trade hub?

Speakers
Alan Bollard, executive director, Asia-Pacific Economic Cooperation Secretariat
Emirsyah Satar, chairman, MatahariMall.com and board of management, Lippo Group
Gary Sampson, John Gough professor in the practice of international trade, Melbourne Business School
Jim O’Gara, president, South Asia district, UPS Asia-Pacific
**Moderator**
Kevin Plumberg, senior editor, thought leadership, Asia, The Economist Intelligence Unit

**2.30pm  Banyan—Leading South-East Asia**

In 2016, new leaders will set new priorities in Thailand, Vietnam and Myanmar, where questions hang over the path to democracy. The term of Benigno Aquino, president of The Philippines, will expire mid-year; since the constitution prohibits him from seeking re-election, a change of government is inevitable. Indonesia’s president, Joko Widodo, will enter the second full year of his term, and with the post-election gloss worn off, voters will be appraising his strength and decisiveness. Meanwhile, the United States and China will continue to play decisive roles in the region.

Can South-East Asia’s leaders stand firm against external pressure and political instability to protect their countries’ interests? Are there areas where we could see a breakdown in governance or a reversal of progress towards democracy? And will security anxieties disrupt the push for greater cooperation?

**Speakers**
Bilahari Kausikan, ambassador-at-large and policy advisor, Ministry of Foreign Affairs, Singapore
Simon Tay, chairman, Singapore Institute of International Affairs
Nina Hachigian, ambassador, United States Mission to ASEAN

**Moderator**
Simon Long, Banyan columnist, The Economist

**3.15pm  Networking break**

**3.45pm  Keynote interview: ASEAN’s vision for growth**

Mustapa Mohamed, minister of international trade and industry, Malaysia

**Moderator**
Charles Goddard, editorial director, Asia-Pacific, The Economist Intelligence Unit

**4.15pm  On the sofa: 2020—Disruption awaits**

With a young, large and increasingly mobile population, a high take-up of new technology and a hunger for growth, South-East Asia is an ideal incubator for home-grown entrepreneurs.
How will innovation shape the way South-East Asians live and do business? What are the biggest challenges for entrepreneurs? And where do the best opportunities lie? Do policymakers adequately comprehend the risk that entrepreneurs need to take on to expand throughout the region? Will start-ups benefit from the AEC, or has technology already let them leapfrog the barriers it purports to tear down? What role do foreign investors play in South-East Asia’s start-up culture?

Speakers
Anthony Tan, founder and chief executive officer, GrabTaxi
Ha Lam, chief executive officer and co-founder, Triip.me

Moderator
Charles Goddard, editorial director, Asia-Pacific, The Economist Intelligence Unit

4.55pm Closing keynote interview
Adif Zulkifi, senior vice-president, corporate strategy and risk, PETRONAS

Moderator
Kevin Plumberg, senior editor, thought leadership, Asia, The Economist Intelligence Unit

5.25pm Closing remarks from the chairman

5.30pm Networking cocktails: Meet the moderators
Meet our session moderators from The Economist and The Economist Intelligence Unit to ask their views about South-East Asia’s future.