

14<sup>TH</sup>  
ASEAN  
& ASIA  
FORUM



SUSTAINABLE  
WORLD  
RESOURCES



SINGAPORE INSTITUTE  
OF INTERNATIONAL AFFAIRS



# Regional Opportunities, Fractured World Order

Conference Highlights  
6 October 2022

## Keynote

### **Dr. Tan See Leng**

Minister for Manpower, Second Minister for Trade and Industry, Republic of Singapore

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## *In-Conversation: Navigating a Fractured Global Order*

### **Associate Professor Simon Tay**

Chairman, Singapore Institute of International Affairs

### **Dr. Taimur Baig**

Managing Director and Chief Economist, DBS Bank

## *Dialogue on Sustainable World Resources (SWR): Climate Action Amidst Global Upheaval*

### **Mr. Souksavart Sosouphanh**

Deputy Managing Director, Électricité du Laos

### **Mr. Ferry Akbar Pasaribu**

Assistant Deputy for Investment Strategy, Coordinating Ministry for Maritime and Investment Affairs, Republic of Indonesia

### **Mr. Colin Chen**

Managing Director, Head of ESG Finance APAC, MUFG Bank

### **Ms. Hum Wei Mei**

Head of Asia-Pacific and Head of Carbon & Environmental Products, AirCarbon Exchange

## *ASEAN's Next Wave of Growth: Innovation, Interoperability and Inclusion*

### **Mr. Kiren Kumar**

Deputy Chief Executive, Infocomm Media Development Authority (IMDA) Singapore

### **Dr. Kasitorn Pooparadai**

Senior Executive Vice President, Strategy and Management Unit, Digital Economy Promotion Agency (DEPA), Thailand

### **Ms. Shinto Nugroho**

Chief of Public Policy & Government Relations, GoTo Group

### **Mr. Leo Jiang**

Chief Digital Officer, Asia Pacific, Huawei Cloud & AI

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## Moderators

### **Mr. Nicholas Fang**

Director of Security and Global Affairs, Singapore Institute of International Affairs

### **Ms. Cheryl Chen**

Director, Global ESG Strategy and Engagement, S&P Global and Council Member, Singapore Institute of International Affairs

### **Ms. Jessica Wau**

Deputy Director, ASEAN Programme, Singapore Institute of International Affairs



## The 14<sup>th</sup> AAF: Regional Opportunities, Fractured World Order

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A polycrisis threatens to disrupt the path of economic recovery. The Russia-Ukraine war and the intensifying Sino-American rivalry create an environment of uncertainty. Inflation risks and supply chain protectionism are pushing economies to become more inward-looking, threatening to reinvent globalisation. Climate change remains an existential threat and may be overshadowed amidst more compelling geopolitical challenges. To help businesses understand these issues, the Singapore Institute of International Affairs (SIIA) organised the ASEAN and Asia Forum (AAF) in its 14<sup>th</sup> iteration, combined with a special edition of our flagship Dialogue on Sustainable World Resources (SWR) series, on the theme "Regional Opportunities, Fractured World Order"

The AAF is a flagship event of the SIIA and provides a platform for stakeholders to better understand the region's political, economic, and strategic challenges, as well as their implications for businesses. The forum draws more than 200 high-level corporate leaders and policymakers who are also keen to expand their regional networks. Keynote speakers have included key ministers not only from Singapore, but also from across Asia. CEOs of major multinational corporations, financial institutions, investors, and leading global experts also feature.

## The Singapore Dialogue on Sustainable World Resources

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The Singapore Dialogue on Sustainable World Resources (SWR) facilitates dialogues between governments, the private sector, experts, and NGOs, to help drive ASEAN's transition towards sustainability. First held in 2014, following the severe transboundary haze event in 2013, the SWR has a special focus on transboundary haze and the agri-business and forestry sectors. From this, the SWR has explored the need for green supply chains, sustainable finance and investment, and regional cooperation to achieve climate impact. The dialogue has become a premier platform in Singapore for policymakers, business leaders and NGOs to share knowledge and best practices, and to socialise national and corporate commitments towards a more sustainable ASEAN. The flagship event also seeks to foster the development of cross-sector collaborations and, via media coverage, raise awareness about sustainability issues among the wider public.

## Acknowledgements and Reach

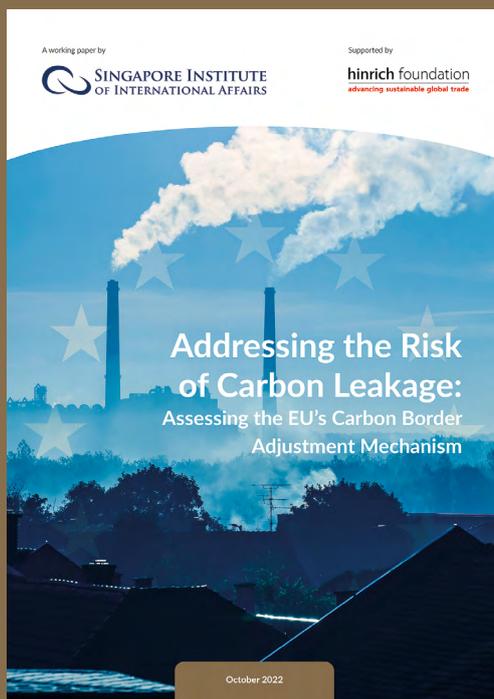
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The 14<sup>th</sup> AAF x SWR attracted more than 250 registrants including C-suite executives, industry leaders, and policymakers from across the globe. The panels this year addressed several crucial topics regarding navigating geopolitical tensions, as well as the dual trends of digitalisation and sustainability, which are growth areas for the region. The discussions garnered media coverage both in Singapore and in regional news platforms, bringing these issues to the fore.

The SIIA would like to acknowledge and thank our sponsors who have contributed to the success of the 14<sup>th</sup> AAF x SWR: Key sponsors - HKETO, Moody's, MUFG and Sponsors - Huawei and PSA International.

## Launch of Working Paper: Addressing the Risk of Carbon Leakage

As economies around the world work towards reducing greenhouse gas emissions, an emerging issue to address is the risk of carbon leakage – where efforts to reduce emissions in one economy via regulations or carbon taxes lead to an increase in carbon-intensive activity in other economies where no such rules exist. To explore the implications of carbon leakage and efforts to address the issue, the SIIA launched a working paper on “Addressing the Risk of Carbon Leakage: Assessing the EU’s Carbon Border Adjustment Mechanism (CBAM)” at the AAF x SWR which is now available for download via the above link or the QR code below. The study was made possible with support from the [Hinrich Foundation](#).



The working paper explains why carbon leakage is a concern for economies around the world, particularly ones with carbon taxes in place such as Singapore. The paper then focuses on the European Union’s CBAM policy, which is taking effect in a transitional form in January 2023. This will make the EU the first jurisdiction in the world to introduce measures against carbon leakage, and therefore a valuable case study.

The EU’s CBAM will eventually impose a carbon levy on imported goods flowing into the EU, if the estimated carbon cost in their production is less than the carbon cost in the EU. But there will be implications for the EU’s trade partners, and it remains unclear whether the EU’s CBAM policy fully complies with World Trade Organization (WTO) rules. Ultimately, while policies to limit carbon leakage may indeed be necessary as the world progresses towards net zero emissions, countries must come together and engage on the issue, in order to ensure that trade flows are able to continue smoothly and that businesses have sufficient time, resources, and information to adapt to the needs of the future low-carbon economy.

## Keynote Address: Seizing Opportunities Amid Uncertainties

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“There is a good chance that ASEAN companies can capture new parts of the global value chain and entrench ourselves as a critical supply chain node.”

### **Tan See Leng**

Minister for Manpower, Second Minister for Trade and Industry, Republic of Singapore

“Singapore and ASEAN must remain committed to stay open and connected, to keep our doors open to investors, ideas, and talent from all over the world.”

Even as the world appears to emerge from the pandemic, global headwinds are threatening to disrupt the path of economic recovery. Minister for Manpower and Second Minister for Trade and Industry for Singapore, Dr. Tan See Leng, acknowledged the challenges of dealing with the pandemic, supply chain disruptions and strong inflationary pressures arising from recent geopolitical tensions.

Amid all these challenges the Minister shared that he remained optimistic in Asia's potential to grow and prosper. “There is a good chance that ASEAN companies can capture new parts of the global value chain and entrench ourselves as a critical supply chain node,” Dr. Tan said. With the region making up more than half of the world's middle-class population, the bulk of the world's consumer demand will soon pivot towards Asia. The region is also seen as an alternative source of input amid recent global supply chain disruptions. The Minister highlighted that over the past 20 years, Asia-headquartered companies quadrupled in the Global Fortune 500 rankings and now make up over a third of the list.

### **Remaining Open and Connected**

To capitalise on the opportunities that ASEAN and Asia have despite global challenges, Minister Tan emphasised the need for the region to remain open. “Singapore and ASEAN must remain committed to stay open and connected, to keep our doors open to investors, ideas, and talent from all over the world,” said Dr. Tan. ASEAN would have to uphold core principles of the rules-based trading system and look towards strengthening multilateral institutions, even as the world experiences a retreat of globalisation.

## Deepening Regional Integration

Another essential aspect for ASEAN and Asia to be able to seize opportunities in the current world order is the need to "double down our efforts at regional integration," said the Minister. As Singapore's Second Minister for Trade and Industry, he alluded to the progress on free trade agreements (FTAs) that ASEAN has made. This includes the recent Regional Comprehensive Economic Partnership agreement (RCEP) that covers 30% of the world's population and GDP. Dr. Tan not only encouraged the pursuit of new FTAs such as the ASEAN-Canada FTA but also to upgrade existing FTAs such as with Australia and New Zealand.



"Singapore and ASEAN must capitalise on emerging trends such as digitalisation and sustainability to grow the region's economy."

### Tan See Leng

Minister for Manpower, Second Minister for Trade and Industry, Republic of Singapore

## Leveraging on Digitalisation and Sustainability

The Minister concluded his keynote addressing by stressing the need to capitalise on emerging trends such as digitalisation and sustainability. Leveraging on digitalisation has helped to increase the efficiency of trade processes and lowered the costs of doing business. This can be seen in the areas of electronic payments, electronic invoicing and digital identities. For ASEAN, progress towards a Digital Economy Framework Agreement will help forge the rules for digital policy in the region with efforts to remain open and inclusive. Singapore has already begun working on Digital Economy Agreements (DEAs) with Australia, Chile, South Korea, New Zealand, and the UK, paving the way for more DEAs to be formed.

## Global Momentum on Sustainability

Sustainability was a key area of opportunity for Singapore and ASEAN identified by the Minister. He highlighted the increasing global momentum on climate action and pointed to green financing as a way to use financial instruments to support sustainability efforts. Furthermore, with increasing demand for high-quality carbon credits, ASEAN can be a thriving regional carbon market to offer pathways for companies and countries to meet their climate targets. In aspiring towards a low-carbon future, Singapore has inked a Green Economy Agreement (GEA) with Australia to serve as a strategic pathfinder to update rules and standards for the global green economy. Such partnerships would provide platforms for growth opportunities in sustainability and build up capacity to address climate change.

## In-Conversation: Navigating a Fractured Global Order



Amid the backdrop of the Russia-Ukraine war and intensifying Sino-American rivalry, what lies ahead is a fractured form of globalisation which threatens the once open and inclusive economic order. Friendshoring in the form of multilateral agreements exerts pressure on smaller countries to pick a side or be left out of the global economy altogether. ASEAN is no exception, similarly, caught in the crossfire. These were the issues discussed in an In-Conversation on “Navigating a Fractured Global Order”, moderated by Nicholas Fang, Director of Security and Global Affairs, SIIA.

### Adaptation Amid Structural Shifts

Simon Tay, Chairman, SIIA observed that international rules and the world order that underpin international relations would experience change, depending on actions taken by state actors, regional and international organisations. “These tremulous events are not blips on the global landscape. They represent structural shifts, fundamental changes to the fabric of the international society,” said Tay.

Future proofing will be a fundamental need for businesses in ASEAN to survive. Stress testing according to the different global risks can highlight inefficiencies in current operations and give businesses a clearer picture of their long-term sustainability. Finding ways to think more strategically will pave the way for greater opportunities beyond the global challenges that companies face today.



“These tremulous events are not blips on the global landscape. They represent structural shifts, fundamental changes to the fabric of the international society.”

**Simon Tay**  
Chairman, Singapore Institute of International Affairs



“We have to strive to make the best out of this very constrained situation. Whether it is digitalization or climate change, there’s areas where there are new opportunities of growth, new opportunities for cooperation.”

**Taimur Baig**

Managing Director and Chief Economist,  
DBS Bank

“Get some tangible progress going in terms of organising carbon trading, in terms of a taxonomy of green finance, so the world starts looking at ASEAN as a bloc of green finance.”

Taimur Baig, Managing Director and Chief Economist, DBS Bank, shared that the region’s overall young demographic, advancement of the middle class, digitalisation and entrepreneurial spirit are positive signals for the region aside from fractures of the global order. ASEAN’s ability to cope will rely on making the most out of a situation fraught with constraints. While US-China tensions are a net negative for the region, countries in South East Asia have strategic advantages that will allow them to progress.

### The Silver Lining in the Storm

With the global challenges of climate change, fallout from the US-China rivalry and the persistence of the COVID-19 pandemic, we have entered into a perfect long storm. Yet, Singapore and ASEAN are well-poised to become a net beneficiary. Both Tay and Baig highlighted the significant role that Singapore plays in ASEAN is significant despite its small market share. Tay shared that trade policies in Singapore are not implemented just for the benefit for the country, but also for the net benefit of the region. Baig further commented that the Singapore way is to strive for best practice to attain investments and subsequently lead by example for other countries. This is a pull factor for other ASEAN countries to move towards best practices, eventually bringing greater ASEAN cooperation into fruition.

The speakers also addressed the challenge for ASEAN to cooperate on sustainability. Both Tay and Baig shared about the risk of localising carbon pricing and trading, which is currently practiced by Indonesia and Malaysia. Doing so undervalues the price of carbon compared to the global market. There is a danger of trading carbon credits within national borders, making it difficult for international companies to cooperate across their region. Baig proposed that ASEAN has the opportunity to push the cross-border aspect of the green agenda in the taxonomy of green finance, carbon tax and carbon trading. Tay shared that establishing Singapore as a credible carbon trading hub will allow countries in the region to discover the real price of carbon, rather than the local price. A regional overlay over green finance will bring greater relevance to ASEAN as a bloc amongst the great powers.

## Dialogue on Sustainable World Resources (SWR): Climate Action Amidst Global Upheaval



“All ASEAN countries are fossil fuel-based economies, except Cambodia and Laos who have more sources [of energy] from renewables... what has happened over the last few months really propels our efforts to move forward and accelerate the energy transition.”

### Ferry Akbar Pasaribu

Assistant Deputy for Investment Strategy,  
Coordinating Ministry for Maritime and  
Investment Affairs, Republic of Indonesia

The Sustainable World Resources (SWR) panel held in conjunction with the 14<sup>th</sup> AAF explored “Climate Action Amidst Global Upheaval”, examining the implications of the Russia-Ukraine conflict, geopolitical tensions, and the lingering effects of the COVID-19 pandemic on climate action policies such as carbon pricing and the energy transition. Moderated by Cheryl Chen, Director, Global ESG Strategy and Engagement, S&P Global and Council Member, SIIA, the panel discussed how ASEAN economies can remain resilient against these shocks and continue to strengthen cross-border partnerships within ASEAN for climate action.

The current global upheaval has led to high energy prices, inflation, and a tightening of monetary policy and interest rates. Countries around the world, including ASEAN states, are now facing cost pressures and competing economic priorities. This had led to hesitation in the rollout of climate action measures, such as efforts to introduce carbon pricing policies and phase out the use of fossil fuels.

### Implications for Decarbonisation and Energy Transition

Ferry Akbar Pasaribu, Assistant Deputy for Investment Strategy, Coordinating Ministry for Maritime and Investment Affairs, Republic of Indonesia observed that most ASEAN countries are still reliant on



“The problem is that the funding is still very difficult. They use normal commercial terms [for renewables]. If we can have other incentives to develop this kind of green energy, then it can accelerate development.”

**Souksavart Sosouphanh**

Deputy Managing Director, Électricité du Laos (EDL)

fossil fuels for economic growth, and it is difficult for policymakers to find the right balance between maintaining economic growth and promoting the energy transition. For example, he noted that while Indonesian authorities have stopped issuing licenses for new coal-fired power plants, Indonesia needs to figure out what to do with the country’s existing coal-fired power assets. That said, the current global energy crisis and economic upheaval has accelerated the need to move forward with the energy transition, and policymakers are aware of this renewed urgency.

One of the biggest challenges in decarbonisation and the adoption of renewable energy is the lack of green and transition funding. Souksavart Sosouphanh, Deputy Managing Director, Électricité du Laos (EDL) noted that most financing for renewable energy projects still tends to be on ordinary commercial terms, rather than offering special incentives tailored to renewables. He noted that renewable energy assets are undervalued, in the sense that co-benefits arising from projects are often not recognised. Hydropower projects in Laos also help protect watershed ecosystems in their vicinity, which might otherwise be vulnerable to illegal encroachment for slash-and-burn agriculture and logging. If the true value of renewable energy projects were recognised, this could lead to more financing for projects in ASEAN.



“The things that we have assumed to be certain over a number of years, such as cheap capital, certainties in policy, and certainties in supply of energy from traditional sources, have all gone out the window.”

**Colin Chen**

Managing Director, Head of ESG Finance APAC, MUFG Bank

Colin Chen, Managing Director, Head of ESG Finance APAC, MUFG Bank said the current global uncertainty makes it difficult for governments and businesses to press forward with their carbon neutrality plans. It is now far less clear how net zero targets can realistically be achieved, and organisations will need to rethink their approaches based on their specific operational circumstances.

However, in the medium to long term, this process of rethinking or reassessing may be positive for the expansion of renewable energy. Recent global events have proven that the supply of fossil fuels such as oil and gas may be vulnerable to disruption due to geopolitical developments. In comparison, renewable energy projects such as solar and wind farms that are closer to home may be less subject to disruption.



“With regards to economic headwinds that we see, there may be some adjustments that are taking place... but we think the momentum on carbon pricing and carbon markets is definitely going to continue, and in fact it might accelerate.”

**Hum Wei Mei**

Head of Asia-Pacific, AirCarbon Exchange (ACX)

## Outlook for Carbon Markets

Although the outlook for decarbonisation and the low-carbon energy transition has become more complicated over the past few months, Hum Wei Mei, Head of Asia-Pacific, AirCarbon Exchange (ACX) stated that voluntary carbon markets and compliance carbon markets have proved relatively resilient to shocks in the short term. The outbreak of the Russia-Ukraine war in March 2022 did dampen activity in carbon markets for several months, but starting from around September 2022 there has been an uptick in carbon market activity – not quite as high as the same period in 2021, but still significant.

However, Ms. Hum noted that there is some uncertainty surrounding the future development of carbon trading, not due to global shocks, but because there is a lack of clarity surrounding the governance of carbon markets. For example, Article 6 of the Paris Agreement established the goal of creating a new international carbon market governed by the UN under a sustainable development mechanism (SDM), but the details of this have not yet been hammered out. Negotiations on Article 6 and the SDM are still ongoing as part of the annual UN climate talks.

More generally, it is difficult to determine the true price of carbon credits, and carbon projects around the world price their credits differently based on their methods of reducing, removing, or avoiding greenhouse gas emissions. Carbon exchanges like ACX have taken to addressing this uncertainty by letting the market decide the prices of carbon projects available, recognising that price differences do not necessarily signal a difference in the quality of carbon credits or projects.

Within ASEAN, many countries are establishing their own domestic carbon pricing schemes and encouraging the development of voluntary offset markets. These efforts are promising, but there is a need to explore the linking of carbon markets across borders. Bilateral and regional cooperation is needed to set common standards, throughout the ASEAN region and beyond, so that carbon credits can be traded fairly, transparently, and at scale.

## Addressing Carbon Leakage

Efforts to grow carbon markets and carbon trading across ASEAN represent one approach to carbon pricing, where the market helps to set the price of carbon. Another element of carbon pricing approaches is carbon tax policies. Singapore is currently the only economy in ASEAN to have a carbon tax, set at S\$5 per tonne of CO<sub>2</sub>e, and Singapore's carbon tax is expected to increase to S\$25/tCO<sub>2</sub>e by 2024 with a view to reaching S\$50 to S\$80/tCO<sub>2</sub>e by 2030. Other ASEAN economies are also expected to introduce carbon taxes; Indonesia has delayed the implementation of its carbon tax in 2022 due to the current global economic uncertainty, but has committed to the introduction of a carbon tax at 30,000 rupiah/tCO<sub>2</sub>e in the near term.

However, the introduction of carbon tax policies and other regulations to reduce carbon emissions raises the issue of carbon leakage – where efforts to reduce emissions in one economy results in an increase of carbon-intensive economic activity elsewhere, where the carbon tax might be lower or no carbon tax exists. For example, businesses might choose to import more goods rather than producing them domestically, or production might shift across borders. With this problem in mind, the European Union (EU) will soon become the first jurisdiction in the world to implement a policy against carbon leakage. The EU's Carbon Border Adjustment Mechanism (CBAM) set to take effect in a transitional phase from January 2023. Initially, importers will only need to report the estimated carbon emissions involved in the manufacture of goods being imported into the EU, but eventually importers will effectively need to pay a levy based on those emissions.

“In theory, by levying an equivalent carbon price on the carbon emissions of imported goods, a CBAM would create a level playing field for competition, thus ensuring that imports and domestic production are treated the same.”

### SIIA Working Paper

“Addressing the Risk of Carbon Leakage: Assessing the EU's Carbon Border Adjustment Mechanism” (2022)

The EU's CBAM will have implications for trade between the EU and other regions, including ASEAN and Asia. It is also not clear whether the CBAM is compatible with World Trade Organization (WTO) free trade rules. To understand the issue, the SIIA launched a working paper at the AAF x SWR, “Addressing the Risk of Carbon Leakage: Assessing the EU's Carbon Border Adjustment Mechanism”, exploring the potential impact on ASEAN and Asia, as well as factors that other economies around the world will need to consider in the process of implementing measures to deal with carbon leakage. Cooperation and dialogue between economies is necessary to properly address carbon leakage and ensure that efforts to promote carbon neutrality do not inadvertently hinder trade flows.

## The Need for Regional Cooperation

To best harness opportunities for regional cooperation on the road towards net zero, the panel also emphasised the importance of strong political commitment from ASEAN member states. At the international level, it is also important for development banks and other lenders to be able to look beyond short-term costs to long-term benefits, so they can better support decarbonisation and renewable energy initiatives in ASEAN.

The panel also discussed the need to enhance energy security by continuing work towards the region's long-standing ambition of creating an ASEAN power grid. Southeast Asian countries have already made significant progress in connecting their electricity grids on a bilateral and subregional level, with the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP) being a notable example. If ASEAN member states are able to create a truly region-wide power grid, it would enable countries with an electricity surplus to export their energy across borders to meet demand elsewhere, creating economies of scale.

While challenges remain in the road ahead, the panel agreed that there is strong momentum towards climate action and decarbonisation in ASEAN. The current global challenges and uncertainty may mean that concrete change is not so visible in the short term, but more people are aware of the need for sustainability and the importance of regional cooperation, and this awareness will be reflected in concrete action in the medium to long-term.

# ASEAN's Next Wave of Growth: Innovation, Interoperability and Inclusion



Digitalisation underpins the growth of the modern economy, and both businesses and government have laid out digital transformation roadmaps for profit and for people. In a panel keynote at the 14<sup>th</sup> AAF, Kiren Kumar, Deputy Chief Executive, Infocomm Media Development Authority (IMDA) Singapore, shared that tech companies from around the world see Asia as a new centre for innovation.

“We also see emerging tech companies from around the world, descending into Southeast Asia and Singapore, innovating in Asia for Asia, new products.”

**Kiren Kumar**

Deputy Chief Executive, Infocomm Media Development Authority (IMDA) Singapore

Kumar shared that countries need to work together to solve regional challenges, interoperating across ASEAN to maximise opportunities. Frameworks and rules within ASEAN have helped to build trust and lower barriers for global multinationals, SMEs and regional champions to operate across the ASEAN economies. Digitalisation is advancing at a rapid pace, and partnerships between countries, as well as the private and public sector, will have to be agile and flexible to accelerate their efforts.

“The digital genie is out of the bottle and we can’t put it back in.”

## Digital Policy Challenges: Access, Talent, Regulation

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“We (regulators) have to struggle to balance the need to encourage innovation but at the same time regulate new technologies so that we protect consumers and SMEs.”

### **Kasititorn Pooparadai**

Senior Executive Vice President, Strategy and Management Unit, Digital Economy Promotion Agency (DEPA), Thailand

The pandemic spurred digital adoption in ASEAN, providing countries with the foundation to propel their respective digital transformations. However, policy challenges remain in the digital realm. These challenges of digital talent shortage and lack of digital access were discussed in a panel moderated by Jessica Wau, Deputy Director, ASEAN Programme, SIIA.

Kasititorn Pooparadai, Senior Executive Vice President, Strategy and Management Unit, Digital Economy Promotion Agency, Thailand, shared that the potential of investment is dependent on the digital skills of the labour force. eLearning during the pandemic revealed that digital devices and internet access remains an issue for a portion of citizens, challenging the inclusivity of digitalisation. New waves of technology further bring the struggle for policy makers to balance the need to encourage innovation while simultaneously regulating the businesses using new technology.

## Digital Opportunities: Transformation and Innovation

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“Our MSMEs are actually really resilient, and they’re also really quick in evolving.”

### Shinto Nugroho

Chief of Public Policy & Government Relations, GoTo Group

Adapting to the constraints of the pandemic led to both businesses and governments adopting digitalisation. According to Shinto Nugroho, Chief of Public Policy & Government Relations, GoTo Group, MSMEs experienced significant growth upon entering digital platforms, demonstrating digitalisation as a form of resilience. The pandemic accelerated the internet coverage in Indonesia, with most areas being covered by 3G or 4G by 2022, compared to the 40% of 2G in the country pre-pandemic. Digital growth has also not been restricted to top cities but has extended further to up-and-coming cities that have not been the traditional economic centres of the region.

Innovation must be undertaken by companies to adapt to the digital world. Leo Jiang, Chief Digital Officer, Asia Pacific, Huawei Cloud & AI, underlined the developmental nature of innovation, and said that the corporate process should be modified to realize the best outcomes from innovation. Kumar chimed in that governments should not also be immediately wary about new phenomenon as certain risks should be undertaken when it comes to innovation. Regulators and businesses should come together to continuously test new innovations to cocreate sustainable business models. Innovation should therefore be consistently sandboxed and encouraged, not killed off on the onset.



“Innovation is a series of processes of design, engineering, manufacturing. But it doesn’t happen overnight... There has to be a role created for innovation, and there has to be a correct way of measuring innovation over time.”

### Leo Jiang

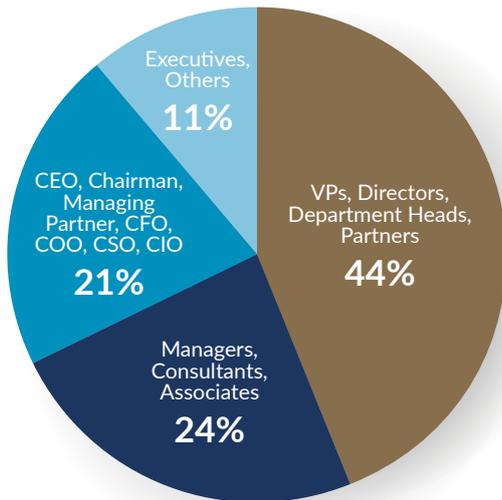
Chief Digital Officer, Asia Pacific, Huawei Cloud & AI

Leveraging on the strengths of each ASEAN nation will be key to transforming the region into a digital hub. The panel emphasised that rather than trying to turn individual countries into hubs, collaboration between countries can further maximise the robustness of the region. Complementing, rather than competing, will thus accelerate the path towards better collaboration within ASEAN.

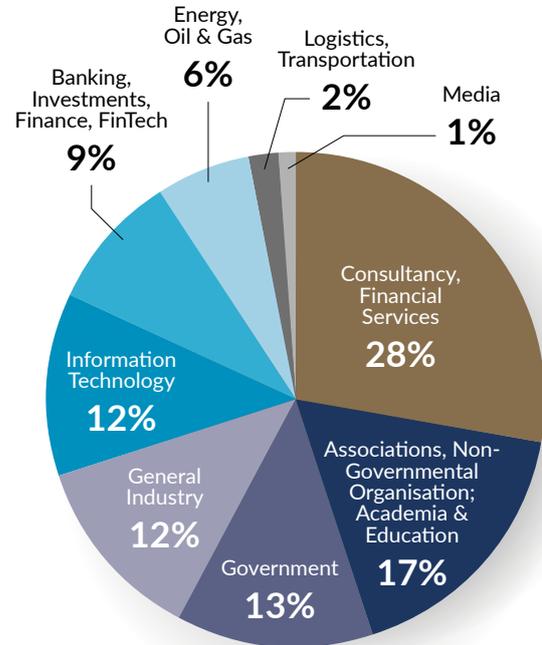
## Highlights:

### 14<sup>th</sup> ASEAN and Asia Forum x Dialogue on Sustainable World Resources

#### Attendees' breakdown by Seniority



#### Attendees' breakdown by Industry



#### Media Highlights

1. "[ASEAN urged to further deepen its connectivity with rest of the world](#)", CNA, 6 Oct 2022, Asia Now
2. "[Sustainability and digitalisation new growth areas for Asean: Tan See Leng](#)", The Straits Times, 6 Oct 2022, Page A13 (Main section, thirteenth page)
3. "[ASEAN harus manfaatkan trend baru ekonomi digital & kemampuan, kata Tan See Leng](#)", Berita Mediacorp, 6 Oct 2022 (Singapore Section)
4. "[陈诗龙: 亚细安可利用数字经济等新兴趋势 充分发挥潜能](#)", Channel 8 News, 6 Oct 2022 (Singapore Section)
5. "[ASEAN điều hướng thế nào trong trật tự thế giới đang rạn nứt?](#)", Vietnam News Agency, 6 Oct 2022 (Current Affairs Section)
6. "[Asean harus rebut peluang pertumbuhan baru demi kembang ekon: See Leng](#)", Berita Harian, 7 Oct 2022 (Economic and Work Section)
7. "[ASEAN và những cơ hội trong trật tự thế giới đang rạn nứt](#)", Vietnam News Agency, 7 Oct 2022 (Live TV News Segment)



# About the Singapore Institute of International Affairs (SIIA)

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Established in 1962, the Singapore Institute of International Affairs (SIIA) is a non-profit and independent think tank committed to producing policy analysis, fostering in-depth dialogues and bridging gaps between policymakers, private sector decision-makers and experts to shape public policy and social responses. Centred around ASEAN focused themes, the institute aims to deliver policy analysis in international affairs and on issues driving environmental sustainability. The SIIA has been consistently ranked as one of the leading think tanks in Southeast Asia and the Pacific, in the Global Go To Think Tank Index by the University of Pennsylvania. Since 2017, the SIIA was ranked the No. 1 independent think tank in Asia. It was also recognised as one of the top 50 think tanks globally, excluding the United States of America. For two consecutive years since 2019, it was recognised as the No. 1 think tank in South Asia, Southeast Asia, and the Pacific (excluding India). In 2020, it was also recognised as one of the think tanks with the best policy and institutional response to the COVID-19 pandemic.



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