

Integration and Connectivity Amid Global Shifts



Conference Highlights
30 July 2024

Keynote Speakers

Mr. Chee Hong Tat

Minister of Transport and Second Minister for Finance, Republic of Singapore

Mr. Jin Lique

President and Chairman of the Board of Directors, Asian Infrastructure Investment Bank (AIIB)

Mr. Suahasil Nazara

Vice Minister of Finance, Republic of Indonesia

Dato' Onn Hafiz bin Ghazi

Menteri Besar of Johor, Malaysia

Mr. Abhisit Vejjajiva

Former Prime Minister of Thailand

Mr. Satvinder Singh

Deputy Secretary General for ASEAN Economic Community, ASEAN Secretariat

Panellists

Panel 1: Regional Connectivity and Supply Chains – Private Sector Perspectives

Mr. Christopher Ong

Senior Vice President and Managing Director, DHL Express Singapore

Mr. Jimmy Koh

Managing Director and Head of Network Partnerships and Strategic Marketing, Group Foreign Direct Investment Advisory, UOB

Ms. Seow Hwee

Head of Port Ecosystem Business, Southeast Asia, PSA Corporation Limited

Panel 2: Enhancing Connectivity Between Singapore and Malaysia

Dato' Onn Hafiz bin Ghazi

Menteri Besar of Johor, Malaysia

Dr. Chua Hak Bin

Regional Co-Head of Macro Research, Maybank Investment Banking Group

Ms. Leong Yee May

Managing Director, South Asia, Equinix Singapore

Mr. Teo Siong Seng

Chairman, Johor-Singapore Special Economic Zone (JS-SEZ) Singapore Business Working Group (SBWG)

Panel 3: Digital Transformation and Connectivity – Future of ASEAN's Digital Economy

Mr. Satvinder Singh

Deputy Secretary General for ASEAN Economic Community, ASEAN Secretariat

Mr. Roy Choudhury Debarun

Head, Commercial & Money Movement Solutions, Regional, SEA, Visa

Ms. Jamie Ko

Director, Regional Public Affairs and Policy, Grab

Mr. Abraham Thomas

Managing Partner, IBM Consulting, ASEAN

Mr. Theodore Sutarto

Assistant Deputy Minister, Coordinating Ministry for Economic Affairs, Republic of Indonesia

Moderators

Associate Professor Simon Tay

Chairman, Singapore Institute of International Affairs

Mr. Nicholas Fang

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

Dr. Ming Tan

Founding Executive Director, Tech for Good Institute

The ASEAN and Asia Forum

Into its 16th edition, the ASEAN and Asia Forum (AAF) is a platform for the private sector to better understand the region's political, economic, and strategic challenges, as well as their implications for businesses. The annual Forum draws more than 200 high-level corporate leaders and policymakers annually and encourages open dialogue and networking among regional stakeholders.

Previous AAFs have featured Emeritus Senior Minister Goh Chok Tong, former Prime Minister of Singapore; Tan Sri Dato' Muhyiddin bin Yassin, former Deputy Prime Minister of Malaysia; and U Soe Thane, Union Coordinating Minister for Economic Development, Republic of the Union of Myanmar. It attracts significant media coverage, covered by both local and regional media outlets, such as TODAY, Channel NewsAsia (CNA), and Bloomberg.

16th AAF “Integration and Connectivity Amid Global Shifts”

Amidst heightened geopolitical tensions, conflicts, and contestations, we are facing an ever-growing risk of fragmentation. These challenges threaten the stability of the multilateral, rules-based order. ASEAN and Asia need new strategies to respond to the evolving landscape, and this involves strengthening cross-border collaboration within ASEAN and with external partners to build a more resilient region.

To foster increased understanding and dialogue around these issues, the Singapore Institute of International Affairs (SIIA) organised the 16th AAF, which centred around the theme “Integration and Connectivity Amid Global Shifts”. The SIIA also launched a Special Report at the forum, “Driving Payments of Tomorrow: How Digital Economy Trends are Shaping the Future of Payments in Singapore”. This report provides a landscape perspective of the key digital economy trends in Singapore and considers the payments sector in the broader context of the wider digital economy.

Summary of Key Highlights

1. **Advancing Regional Connectivity and Integration:** Amidst the changing geopolitical landscape, regional integration is essential to fully harness our potential as a critical node in the global value chain. This benefits the region economically, whilst enhancing the region's resilience and stability.
2. **Activating Public-Private Partnerships:** Public-private partnerships are crucial in maintaining open dialogue. Everyone, from corporate leaders and multilateral development banks to governments, play key roles in accelerating regional connectivity and integration.
3. **Unlocking Value Through Collaboration:** The Johor-Singapore Special Economic Zone (JS-SEZ) is set to unlock immense value for both countries and the region. Multi-sectoral engagement must continue for all to reap the benefits of this landmark partnership.
4. **Transforming Economies:** ASEAN remains at the forefront of efforts to transform the economy, with the ASEAN Digital Economic Framework Agreement (DEFA) the first region-wide digital economy framework of its kind. To harness the digital economy's full potential, we must be proactive in reinventing the status quo and developing technology in a sustainable and productive fashion.

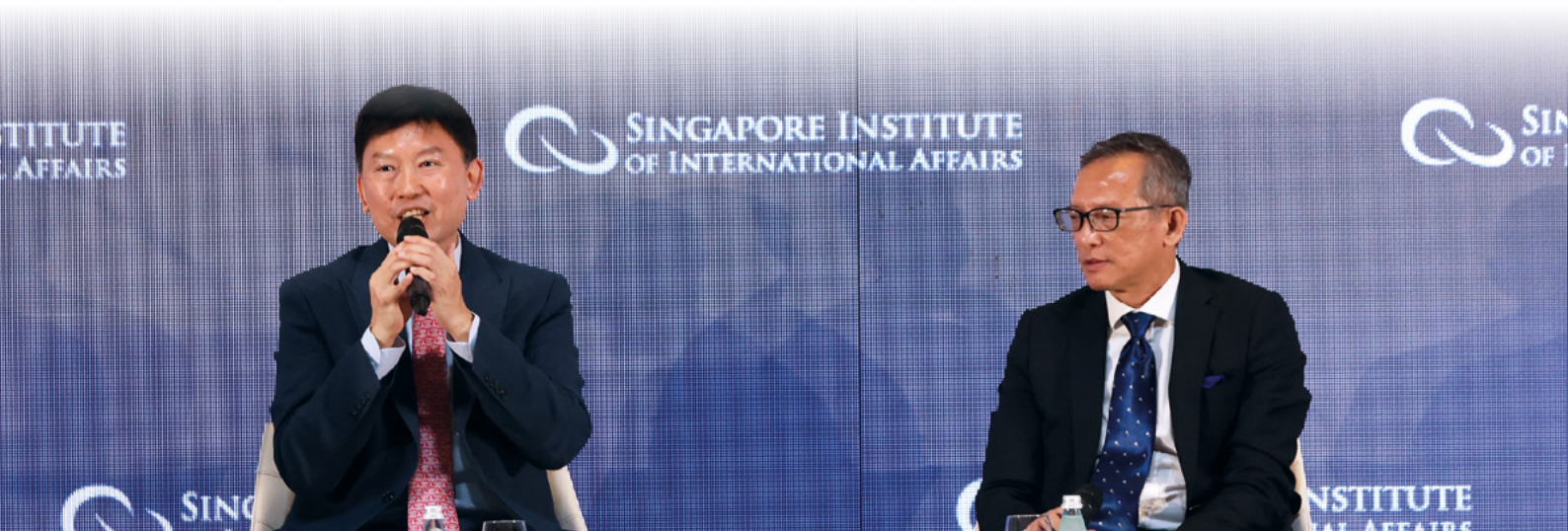
Acknowledgements and Reach

The forum attracted over 260 C-suite executives, industry leaders, and policy makers from across the region. It also received coverage from local and regional media.

The SIIA would like to acknowledge and thank our main partners and donors who have contributed to the success of the 16th AAF. They are:

- Key Donors: Huawei, Moody's Ratings, Visa
- Donors: PSA, Temasek, UOB
- Supporting Organisations: AmCham Singapore; EU-ASEAN Business Council; High Commission of Malaysia, Singapore; Singapore Chamber of Commerce Indonesia; Singapore International Chamber of Commerce; Singapore-Thai Chamber of Commerce

Strengthening Integration and Connectivity



Heightened geopolitical tensions have created a maelstrom of uncertainty and risk. Yet opportunities for growth remain, “if we work together to enhance infrastructure and connectivity in the region and build on our value propositions,” said Mr. Chee Hong Tat, Singapore Minister of Transport and Second Minister for Finance, in his opening keynote address.

ASEAN countries need to focus on greater integration, rather than zero-sum division. Mr. Chee emphasised that “all of us, whether think tanks, government, or corporate leaders, must focus on how to bring about greater integration than to focus on zero-sum division.” To this end, developing and promoting better infrastructure, and therefore integration, across the region will benefit all.

“A rising tide lifts all boats, and we believe that better infrastructure across the region will help enhance regional supply chain efficiency and resilience overall.

Mr. Chee Hong Tat

Minister of Transport and Second Minister for Finance, Singapore

Amid supply chain shifts, governments and the private sector have begun diversifying their operations, by shifting parts of their supply chain to ASEAN. Member states of the regional bloc are also racing to seize the opportunities available by positioning themselves as key supply chain hubs.

Singapore is no exception. As the leading intermodal logistic hub in the region, the country continues to grow its capacity, capabilities, and connectivity with the world. Mr. Chee highlighted Singapore’s efforts in leveraging digitalisation to optimise efficiency across the supply chain network and further stressed that such developments must advance in a sustainable fashion.

ASEAN should also foster greater regional integration. “Regional integration not only benefits the region economically, but also enhances the region’s resilience and stability,” said Associate Professor Simon Tay, Chairman, Singapore Institute of International Affairs.

“It is imperative for ASEAN to push forward with regional integration to fully unlock ASEAN’s potential as a critical node in the global value chain.

Associate Professor Simon Tay

Chairman, Singapore Institute of International Affairs

Strengthening Connectivity and Community: Financing, Infrastructure, and People-to-People Linkages



Financing the Future of ASEAN

Despite the rise of protectionism and fragmentation globally, ASEAN remains a steadfast leader in promoting and shaping a multilateral world. Mr. Jin Liqun, President and Chairman of the Board of Directors, Asian Infrastructure Investment Bank (AIIB), emphasised the pivotal role that Multilateral Development Banks (MDBs) such as AIIB play in financing regional infrastructure, thereby bolstering regional connectivity and resilience.

“Multilateral development banks must continue to promote regional connectivity in this time amidst geopolitical tensions.

Mr. Jin Liqun

President and Chairman of the Board of Directors, Asian Infrastructure Investment Bank (AIIB)

MDBs can play a critical role in enhancing regional efforts towards the green transition and promoting sustainability in the region. Mr. Jin shared that AIIB has worked alongside the other nine major MDBs to create actionable deliverables in areas such as country-level collaboration and co-financing, scaling up MDB financing capacity and catalysing private-sector mobilisation.

Mr. Jin further noted that in seeking multilateral innovation to combat climate change, countries must open “avenues for trade, capital, and knowledge flow”, something which MDBs can support via the financing of infrastructure.

Forging Greater ASEAN Connectivity and Community

Amidst the polycrisis the world is embroiled in, Mr. Suahasil Nazara stressed the importance of connecting geographies in terms of both physical infrastructure and social ties.

“ If we think about ASEAN, we can also expand our connectivity to talk about ASEAN not only in terms of physical highways but also the virtual and spiritual connectivity of our people. And by way of spiritual connectivity, we can get our people to learn from one another, establish a network, learn from management of SMEs in one place to another.

Mr. Suahasil Nazara

Vice Minister of Finance, Indonesia

Addressing Indonesia's ongoing measures to downstream the country's abundant critical minerals, Mr. Nazara posits “green development” as a key opportunity for ASEAN integration and connectivity. Given the diversity of resources in ASEAN, Mr. Nazara emphasised the importance of developing ‘different kinds of infrastructure’ to encourage greater connectivity and integration across the region.

Mr. Abhisit Vejjajiva, Former Prime Minister of Thailand, further foregrounded the idea of community as a fundamental tenet to achieving regional connectivity and integration. While acknowledging the merits of ASEAN's modus operandi that boasts a “healthy dose of pragmatism” and a high level of “sensitivity” between member countries, Mr. Vejjajiva believes the regional bloc “could do so much more” in promoting a sense of community.

“ So many decades of ASEAN and its agenda, have mainly been driven by technocrats [...] But when the global environment shifts, you need political will and to get that political will, we have to engage other stakeholders: the private sector, NGOs and ordinary people. We need to do much more in terms of our social interactions among ASEAN citizens. We must ensure that the ASEAN people see the value of a common destiny, of having conviction. And by doing so, we will be able to push ASEAN to its next phase of integration and truly call ourselves a community of ASEAN people.

Mr. Abhisit Vejjajiva

Former Prime Minister of Thailand

Furthermore, Mr. Vejjajiva calls for courage amongst ASEAN countries to create new, ambitious opportunities, such as freer cross-border movement of people, joint tax policies, collaboration with MNCs as a bloc, and consolidating supply chains in key sectors. These changes, Mr. Vejjajiva posits, are driven by cultivating a community with a collective vision and conviction, starting with individuals, then at the national and regional levels.

The Role of the Private Sector



The evolving geopolitical landscape has created new and emerging opportunities that corporate leaders and companies must harness. Mr. Christopher Ong, Senior Vice President and Managing Director, DHL Express Singapore, stressed that the key question for corporate leaders is how to unlock the full potential and value of such emerging opportunities.

“ We need to think: where will our organisation fit if this whole supply chain changes? Where does ASEAN fit in? Where does Singapore fit in? Where does Johor fit in? [...] Those are the things that we need to think hard as corporate leaders.

Mr. Christopher Ong

Senior Vice President and Managing Director, DHL Express Singapore

Key to this would be developing greater resilience, connectivity, and integration across and beyond the region, which would allow players to stay competitive in an ever-changing landscape. The importance of public-private partnerships in bolstering resilience cannot be understated, as underscored by Mr. Jimmy Koh, Managing Director and Head of Network Partnerships and Strategic Marketing, Group Foreign Direct Investment Advisory, UOB.

“ We cannot change the world. What we can do as corporate leaders is to make sure our customers, our organisation, remain in the game, and what we do is create [...] resilience so that all our customers and ourselves and our organisation stay in the game.

Mr. Jimmy Koh

Managing Director and Head of Network Partnerships and Strategic Marketing, Group Foreign Direct Investment Advisory, UOB

Such partnerships are also essential for introducing new technologies and expertise to ASEAN, which will allow companies to remain competitive and thrive amidst supply chain shifts. Ms. Seow Hwee, Head of Port Ecosystem Business, Southeast Asia, PSA Corporation Limited, further shared the transformative impact of digitalisation on supply chain management by drawing upon PSA's experience leveraging technology to enhance operational efficiency and resilience.



In today's supply chain, what is relevant to one customer may not be important to another customer, and customers are also looking for integrated solutions end to end [...] On this note, PSA has been investing in new capabilities, in logistics and supply chain, over and above our traditional core operations. And of course [...] further emphasis on digitalisation, technology, accessibility is also very important.

Ms. Seow Hwee

Head of Port Ecosystem Business, Southeast Asia, PSA Corporation Limited

Enhancing Connectivity between Singapore and Malaysia



The recently signed Memorandum of Understanding (MoU) to work on the Johor-Singapore Special Economic Zone (JS-SEZ) has generated considerable buzz amongst investors. In his panel keynote speech, Dato' Onn Hafiz bin Ghazi, Menteri Besar of Johor, Malaysia, highlighted the need for even the closest of neighbours to foster greater mutual understandings amongst today's geopolitical uncertainties.

“ The Johor-Singapore Special Economic Zone (JS-SEZ) is a synthesis of realities and challenges, but also great potential underlining the connectivity issue [...] It must be a concerted effort to be a success – no one can do it alone. We must all want it to be successful. The desire for change must be holistic – timid changes will not create great things.

Dato' Onn Hafiz bin Ghazi
Menteri Besar of Johor, Malaysia

He acknowledged that the JS-SEZ would not only represent a success for Johor and Singapore, but in its efforts would lie the seeds of greater regional connectivity and strength. The two sides must therefore “strike while the iron is hot”, improving issues of physical congestion and connectivity, attract and retain specialised talent, and facilitate business procedures to proliferate accountability and transparency.

Echoing this, Mr. Teo Siong Seng, Chairman, JS-SEZ Singapore Business Working Group, Singapore Business Federation (SBF), emphasised the 'strong political will' from both countries to succeed.

“All the stars are aligned, this is the time to be. The whole ecosystem is an opportunity for both sides to work together on a win-win situation. There is strong political will on both sides for this to succeed.

Mr. Teo Siong Seng

Chairman, Johor-Singapore Special Economic Zone (JS-SEZ) Singapore Business Working Group (SBWG)

Mr. Teo further stressed that the success of JS-SEZ will create “one ecosystem that will benefit not only Singapore and Malaysia but also the whole of ASEAN.”

The partnership will generate significant opportunities for further integration and connectivity. Dr. Chua Hak Bin, Regional Co-Head of Macro Research, Maybank Investment Banking Group, further highlighted the potential for pooling investments into training and learning schemes over time, while facilitating the ability for Singaporeans and PRs to live across the border in Johor with special residence schemes.

“It's about enhancing connectivity and movement of people and goods. One missing piece is the visa – making it easier for Singaporeans or PRs to live in Iskandar, work from there.

Dr. Chua Hak Bin

Regional Co-Head of Macro Research, Maybank Investment Banking Group

Ms. Leong Yee May, Managing Director, South Asia, Equinix Singapore also noted the opportunities for enhancing digital connectivity and growth between the two markets. She highlighted the importance of creating a digital bridge to ensure traffic flows remain in the region and preserve the vision for an ASEAN digital infrastructure. Amidst progressively growing digital demand, it is a win-win situation for either side if this data can be optimised and harnessed.

“Demand in digital will only continue to grow so we must meet this. It is more important to have collective vision, together being able to ensure that all Johor and Singapore data centres become an AI hub. [...] Hard discussions need to take place for success.

Ms. Leong Yee May

Managing Director, South Asia, Equinix Singapore

Future of ASEAN's Digital Economy



Mr. Satvinder Singh
Deputy Secretary General for ASEAN
Economic Community, ASEAN Secretariat

The digital economy is developing at an exponential pace and ASEAN is at the forefront of efforts to tap into the emerging opportunities. Mr. Satvinder Singh, Deputy Secretary General for ASEAN Economic Community, ASEAN Secretariat, outlined in his keynote speech the roadmap and progress on various policies and initiatives in digital cross-border payments, digital trade identification and facilitation, AI governance standards, and the Digital Economy Framework Agreement (DEFA).

“ It was very clear that if we can get some of those parameters of this [DEFA] framework [...] harmonised and negotiated, then there's an ability for us to then think about doubling of our digital economy — instead of 1 trillion by 2030, we are talking about 2 trillion.

- Mr. Satvinder Singh

Fundamentally, he stressed the importance of public-private partnership as well as the necessity for regulatory agreements to be adaptive to emerging technology to unlock the full value of the growing digital economy.

In this regard, the ASEAN Digital Economic Framework Agreement (DEFA) is the first region-wide digital economy framework of its kind. Mr. Theodore Sutarto, Assistant Deputy Minister, Coordinating Ministry for Economic Affairs, Republic of Indonesia, stressed the need to remain driven and bold when forging this framework.

“ To have an ambitious or good start from the DEFA negotiation, we have to be more proactive [...] No other FTAs in the world can be a teacher for us.

Mr. Theodore Sutarto

Assistant Deputy Minister, Coordinating Ministry for Economic Affairs, Republic of Indonesia

In promoting technological and digital development within the region, Ms. Jamie Ko, Director, Regional Public Affairs and Policy, Grab, underscored the need for technology in any form to respond to current pressing pain points. She shared how Grab was able to provide tools for merchants that required “minimal upfront investment and time” to fulfill small merchants’ digital needs during the pandemic.

“ It's important to anchor on pain points and solutions, rather than technological tools.

Ms. Jamie Ko

Director, Regional Public Affairs and Policy, Grab

Mr. Roy Choudhury Debarun, Head, Commercial & Money Movement Solutions, Regional, SEA, Visa, further added that there needs to be a practical purpose to innovation, which is particularly important for small businesses with limited resources.

“ Fundamentally, in the journey of innovation [...], from the perspective of the small business, it's important to remember digitisation can't be for the sake of this kind [...], there has to be a practical implication to it.

Mr. Roy Choudhury Debarun

Head, Commercial & Money Movement Solutions, Regional, SEA, Visa

Mr. Abraham Thomas, Managing Partner, IBM Consulting, ASEAN, stressed the need for continued innovation and vision when fostering greater digital integration, connectivity, and development within the region.

“ ASEAN has to have the seamless integration to allow organisations, individuals, governments, to really transact in a safe environment. I think that could be the vision. I would say the biggest challenge that we will face in achieving the vision is probably the inertia.

Mr. Abraham Thomas

Managing Partner, IBM Consulting, ASEAN

Conclusion

The 16th AAF brought together diverse players from government, private sector, and civil society to promote dialogue and encourage mutual understanding on enhancing connectivity and integration within ASEAN. To this end, the perspectives and insights gleaned from this event underscored the immense potential within ASEAN and reaffirmed the importance of collaboration and connectivity in fostering economic growth, sustainable development, and political stability within the region.

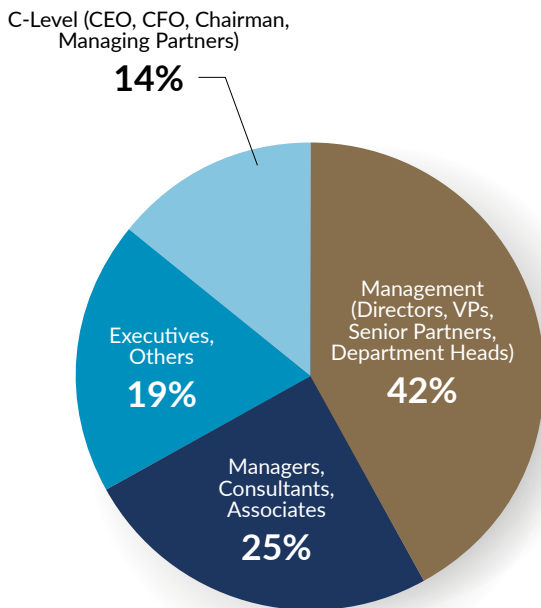
“ To achieve seamless regional integration, we must focus on enhancing infrastructure, harmonising regulations, and promoting inclusive policies that benefit all member states. The commitment to these principles will not only bolster our economies but also ensure that no one is left behind in our journey towards greater connectivity.

Associate Professor Simon Tay

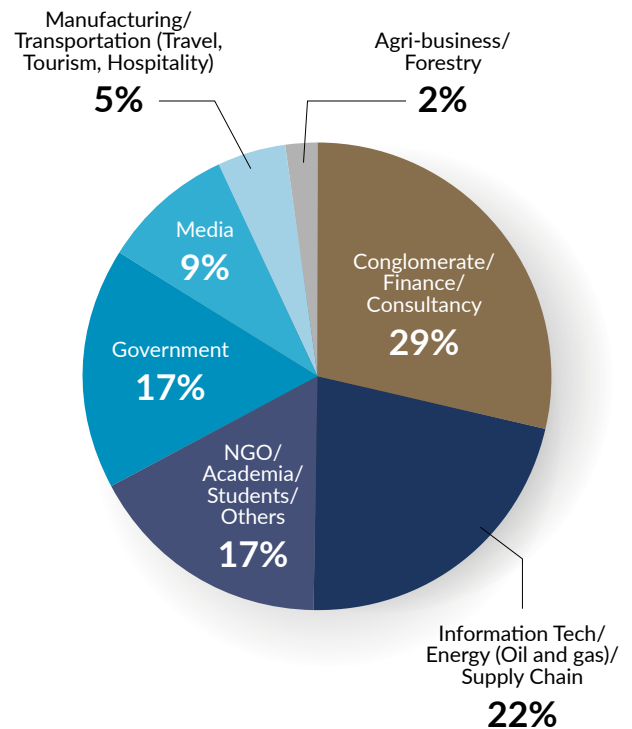
Chairman, Singapore Institute of International Affairs

Participants and Media

Profile of Participants



Participants by Sector



Note: Total percentages may not add up to 100% due to rounding.

The 16th AAF garnered eight mentions in local and regional media outlets. Notable Singaporean publications such as CNA, The Business Times, and The Straits Times covered the event, while Bloomberg and the South China Morning Post reported on it as well.

Media coverage noted Mr. Chee Hong Tat's announcement about a new app designed to improve efficiency in the shipping and logistics sectors. It also highlighted the Asian Infrastructure Investment Bank's commitment to funding climate-linked projects in the region to assist ASEAN in reaching its net-zero targets.

Media coverage include:

- Singapore Tonight: Transforming Shipping and Logistics, CNA, 30 July 2024
- [Logistics, supply chain challenges and opportunities for ASEAN arising from geopolitical tensions: Chee Hong Tat](#), The Business Times, 30 July 2024
- [New app in the works to improve efficiency for Singapore's shipping and logistics sectors](#), The Straits Times, 30 July 2024
- Transforming Shipping and Logistics, Channel 5 News, 30 July 2024
- [新加坡国际事务学会主办亚细安与亚洲论坛 旨在加强合作](#), Channel 8 News, 30 July 2024
- [AIIB: Climate Policy-Based Lending Aids ASEAN's Net Zero Targets](#), Bloomberg, 31 July 2024
- [Asian infrastructure bank AIIB's president looks to fund climate-linked projects in ASEAN](#), SCMP, 31 July 2024

About the Singapore Institute of International Affairs (SIIA)

Insights • Networks • Access

Established in 1962, the Singapore Institute of International Affairs (SIIA) is a non-profit, independent think-tank committed to policy-relevant research, analysis, and discussions on regional and international politics, economic policy, and sustainability. Our work serves as a bridge between policymakers, business leaders, and other stakeholders to nudge policy change through dialogue and collective action.

We provide insights and perspectives for businesses in navigating a complex world and help Singaporeans with sense-making and responding to issues they care about. We aim to contribute to a region that is inclusive, peaceful, and prosperous – an integrated, sustainable, and globally competitive ASEAN and a Singapore that is an open, dynamic hub and responsive node.

We have 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. We were recognised as one of the top 50 think tanks globally, excluding the United States of America. In 2019, we were recognised as the No. 1 think tank in South Asia, Southeast Asia, and the Pacific (excluding India). In 2020, we were also recognised as one of the think tanks with the best policy and institutional response to the COVID-19 pandemic. Visit us at www.siiainline.org.

About the SIIA's ASEAN Programme

A core part of our work involves increasing awareness of the Association of Southeast Asian Nations (ASEAN), highlighting its activities, and encouraging processes of regional cooperation. Our research focuses on collective efforts to build connectivity and economic integration within ASEAN, exemplified by the ASEAN Economic Community established in 2015.

Economic integration is more than just statistics. Our ASEAN Programme explores what economic integration truly means for businesses and citizens in ASEAN, and how to respond to the fast-paced changes that are emerging across our region. Our work focuses on politics and socioeconomic policies that impact businesses and investments. We focus on engaging key ASEAN economies and major partners such as China, Japan, the US, and the EU.

As one of the founding members of the ASEAN-ISIS (ASEAN Institutes of Strategic and International Studies) network since 1988, we have long played a role in “Track II” diplomacy, sharing between policymakers, business leaders, experts and other stakeholders in our region and beyond.



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