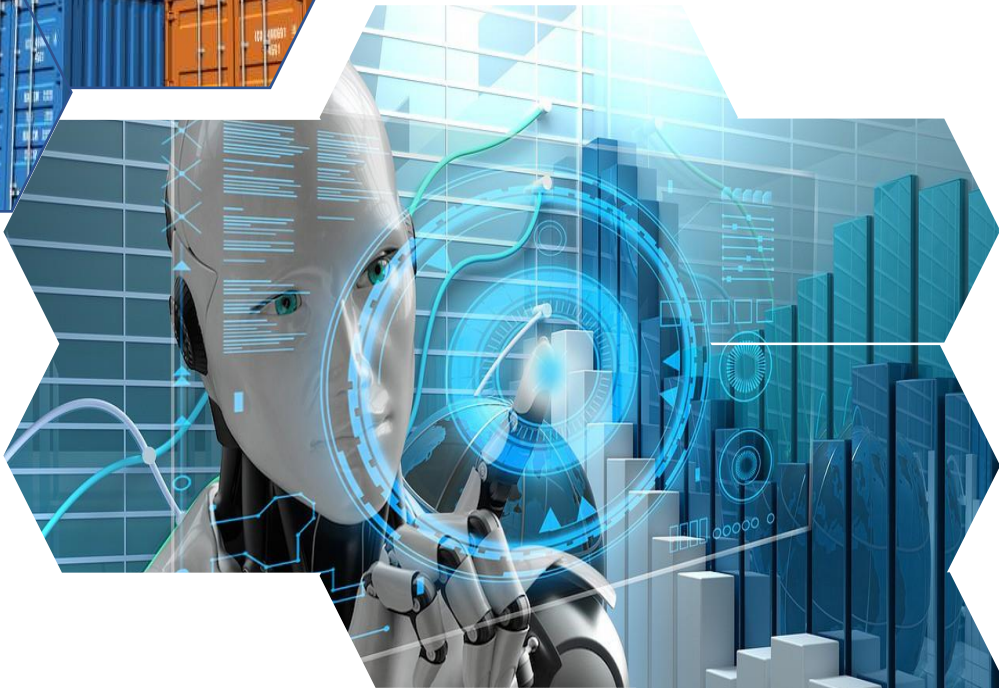




ASEAN in Global Trade



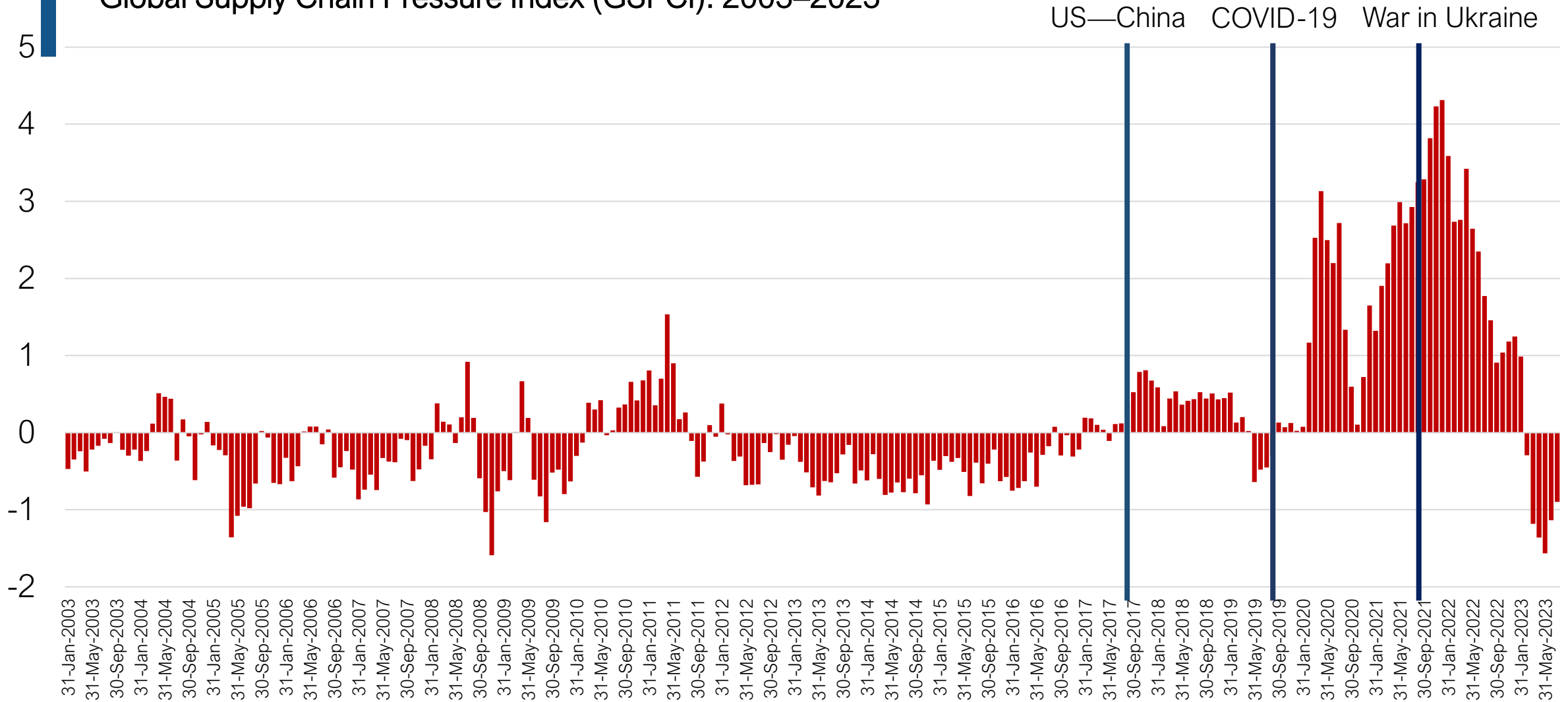
Lili Yan Ing

Lead Advisor, Southeast Asia Region (ERIA)

ANU-RIETI Annual Symposium, 22 Sep 2023

Global Supply Chains under Pressures

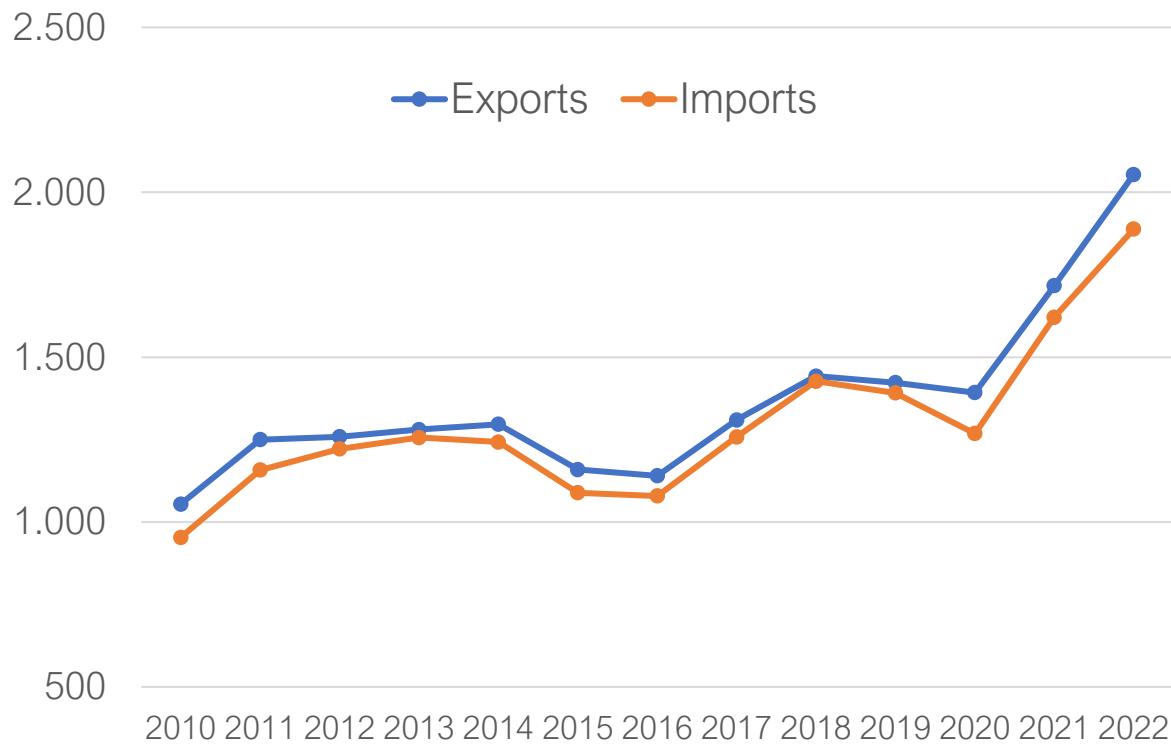
Global Supply Chain Pressure Index (GSPCI): 2003–2023



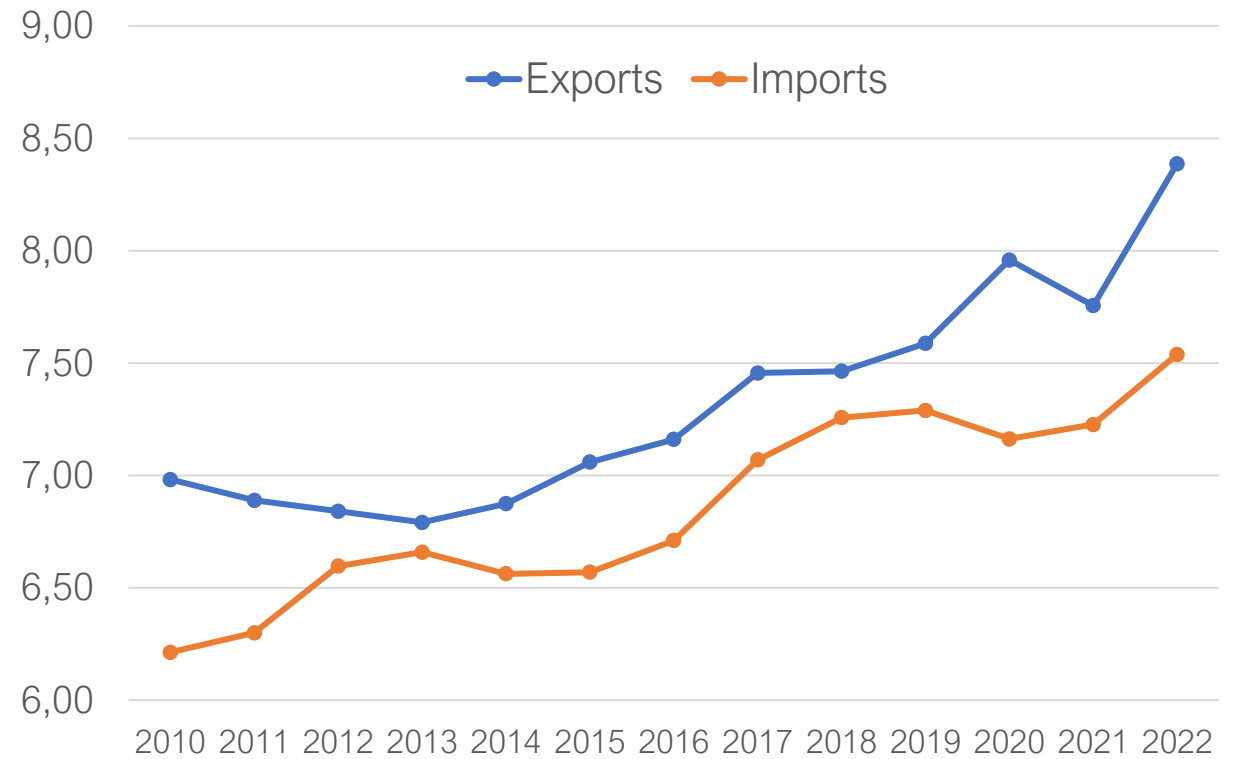
Source: Federal Reserve Bank of New York

ASEAN's Exports and Imports

Value of Total ASEAN's Exports and Imports to the World (USD bn)



ASEAN's Shares to the World Trade (%)



Source: International Trade Center, 2023 [accessed 30 August 2023]

Policy considerations for improving supply chain resilience in East Asia

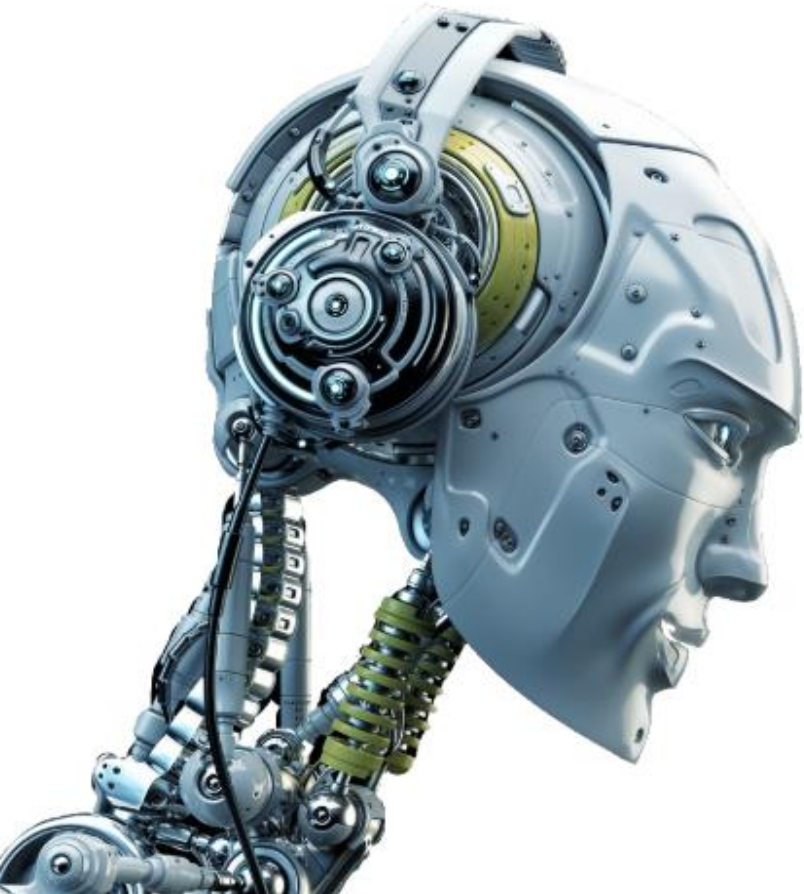


1. **Ensure the multilateral trading system well functioning**
 - Keep trade and investment policies open and fair (no punitive unilateral actions allowed)
 - Improve intra East Asia trade and investment and strengthen cooperation with partners ASEAN, ASEAN+1 FTAs, and the RCEP
2. **Invest in logistic and maritime infrastructure**
 - Investment in developing, upgrading, modernizing, and decarbonizing ports, shipping and logistic infrastructures is key for enhancing SC resilience.

Policy considerations for improving supply chain resilience in East Asia

3. Invest in digital transformation

- Optimize the use of digital technology in supply chains; and facilitate firm's participation in digital and supply chains
 - ✓ to improve precision in supply and demand forecast and thus optimize inventory levels
 - ✓ to enhance transparency and traceability across supply chains
 - ✓ to improve accuracy in risk assessments
- Mobilize investment in physical and digital infrastructure





New Normal, New Technologies, New Financing

Edited by Lili Yan Ing and Dani Rodrik



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A NEW ECONOMIC ERA

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Non-tariff Measures Australia, China, India, Japan, New Zealand, and Republic of Korea



Edited by
Lili Yan Ing
Denise Penello Rial
Rizqy Anandhika



Thank You

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for ASEAN and East Asia

Recent Trends in Global Supply Chain (SC)

1. Diversify network of suppliers and partners to reduce dependency on single or a couple of suppliers and export destinations
2. Different regions/countries pursue different ways in SC: from reshoring, near-shoring, to **some concerning trends** of friend-shoring and decoupling (recently renamed as de-risking). Firms switch from *just-in-time* to *just-in-case* supply chain model.
3. Global rising protectionism measures: infant industry subsidies, export and import bans, local content requirements, etc.

The Way Ahead...

strengthening ASEAN national resilience

Domestic Disciplines

- Maintain **Macroeconomic Stability**. Improve **competitiveness** in the manufacturing sector. **Optimize taxes** and Implement **'wise expenditure'** for **inclusive growth**.
- **Dynamic disciplines** in ensuring **good regulatory practices** for the best of the Indonesian Economy (improve transparency of Non-Tariff Measures, eliminate unnecessary Local Content Requirements, automatic export and import licensing)
- Invest in **Digital Connectivity**: improve hard and soft skills (Digital transformation is about *people*).

The Way Ahead...

leveraging new growth drivers, embracing a new global economic order



International Engagement

1. Ensure the multilateral trading system well functioning

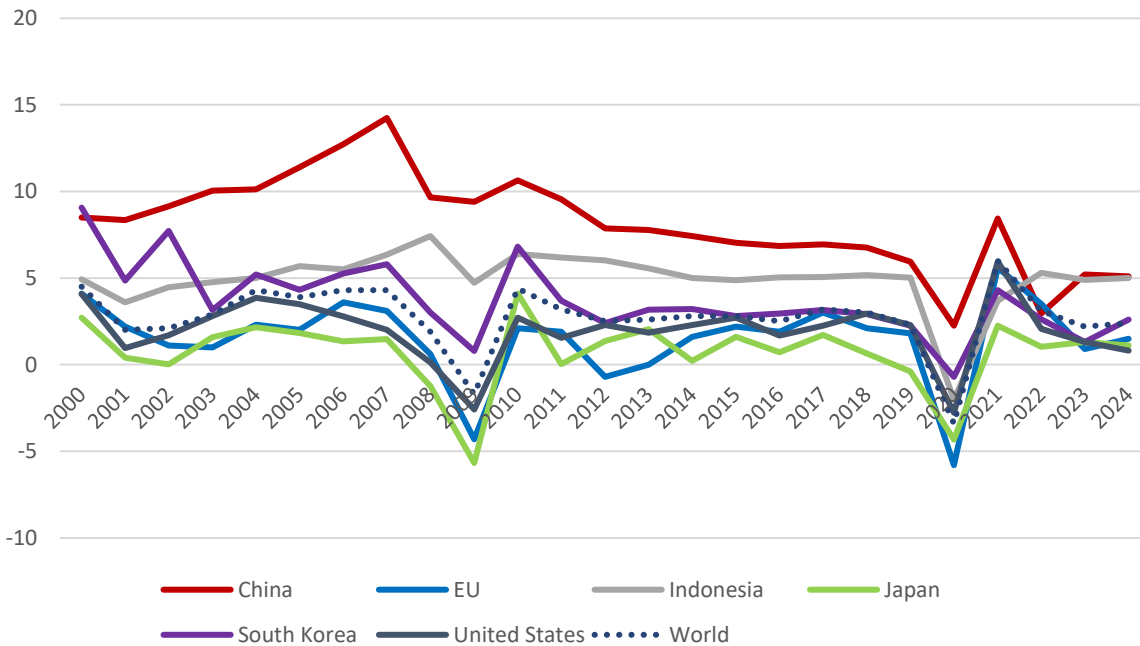
- Keep trade and investment policies open and fair (no punitive unilateral actions allowed)
- Strengthen and ensure **regional based cooperation** are well implemented and fully optimized: ASEAN, ASEAN+1 FTAs, and the RCEP

2. Keep **neutral position**, keep engaging with the US and the West, China, and enhance engagement with middle powers. **New sources** of exports, imports, investment, and growth (not only countries, but sectors eg., Digital).

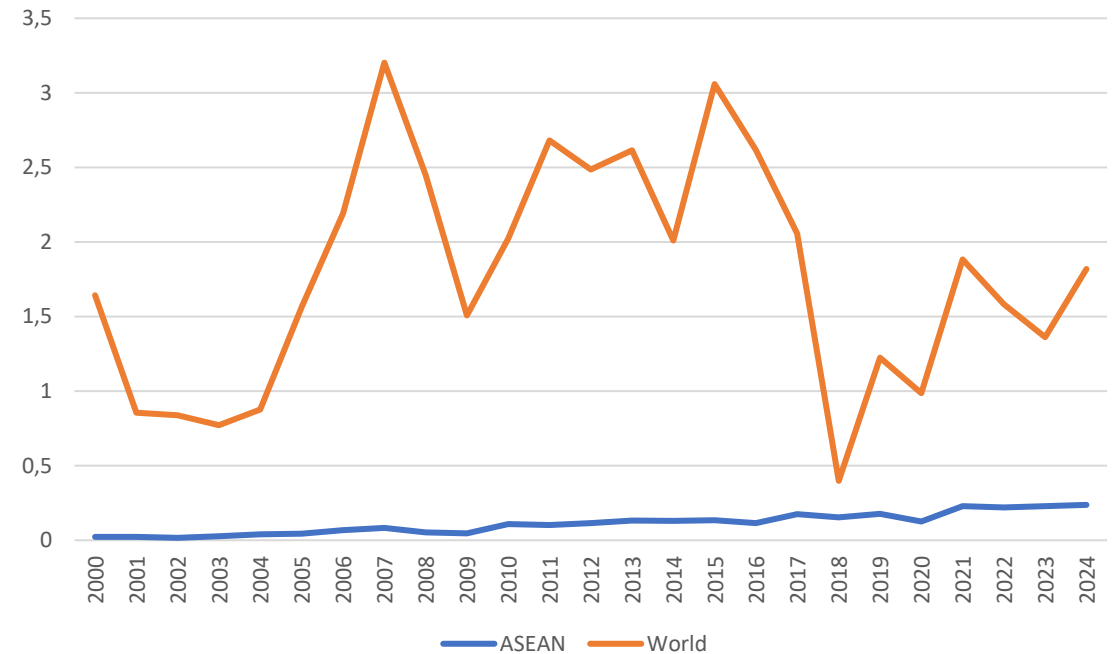
3. Embrace *New Global Economic Order* (eds. Lili Yan Ing and Dani Rodrik)

Global Figures: GDP Growth & FDI Flows

GDP Growth (%), 2000-2024



FDI Flows, 2000-2024 (USD trillion)



Source: Economist Intelligence Unit [accessed 15 August 2023]

2023-2024 figures are estimated