

DRAFT AGENDA

OECD SOUTHEAST ASIA REGIONAL FORUM

“ENHANCING REGIONAL INTEGRATION AND OPENNESS”

25 March 2015
Hotel Borobudur
Jakarta, Indonesia



OECD
SOUTHEAST ASIA
REGIONAL PROGRAMME

BACKGROUND

2015 is a milestone for regional integration in Southeast Asia as the ASEAN Economic Community (AEC) comes to fruition under the chairmanship of Malaysia, and the Philippines chairs APEC. While considerable progress has been achieved, important challenges remain for ASEAN to fully realize the benefits of its ambitious AEC objectives.

To support these processes the OECD, through its Southeast Asia Regional Programme, has intensified engagement in support of regional integration. In preparation for the official launch, the OECD organised a Southeast Asia Regional Forum – *Regional Competitiveness for Sustained Growth* – in Bali, Indonesia (March 2014). The official launch of the Programme¹ took place at the OECD Ministerial Council Meeting in May 2014, in the presence of OECD Secretary-General Angel Gurría and Japanese Prime Minister Shinzō Abe, and Ministers and high level representatives from the region.

In 2015, as the ASEAN Economic Community is launched, Malaysia as Chair of ASEAN will focus on pursuing “a People-Centred ASEAN” through the vision *Our People, Our Community, Our Vision*. In support of this focus, this year’s Regional Forum will help to further shape the direction of the OECD Programme by focusing on the regional economic integration process, and managing the opportunities and challenges ahead for the people of ASEAN.

OBJECTIVES OF THE 2015 OECD SOUTHEAST ASIA REGIONAL FORUM

The 2015 OECD Southeast Asia Regional Forum will bring together policy-makers from Southeast Asia and OECD member countries, international and regional organisations, experts and business representatives to explore selected issues related to regional economic integration. This will feed into the AEC and post-2015 agenda and clarify how the policy focus of the Programme can further support this integration process.

The first session presents the findings of the recent OECD *Economic Outlook for Southeast Asia, China and India*, putting ASEAN integration into a broader perspective.

In preparation for the launch of the ASEAN Economic Community (AEC), as well as to support other regional economic integration initiatives such as APEC, the second session discusses the opportunities and challenges of integration, and strategies for best managing the integration process to deliver sustainable growth and development dividends.

Given the high level of ambition of the ASEAN Economic Community, session three focuses on increasing the level and depth of the region’s integration, internally and with the rest of the world, and lessons to be drawn.

Finally, session four on ‘Productivity-enhancing policies supporting regional integration’ discusses country efforts to raise productivity as a prerequisite for fully realising the benefits of integration and addressing the long-term structural challenges of the economy as discussed in Session 1. This discussion includes both economy-wide and targeted “productivity enhancing policies”, focusing on the opportunity for greater regional dialogue and improved processes and institutions for policy-making.

¹ The Southeast Asia Regional Programme operates through six Regional Policy Networks (RPNs) focusing on taxation, good regulatory practices, investment policy and promotion, education and skills development, small and medium-sized enterprises (SMEs), and public-private partnerships (PPPs) for infrastructure development. Initiatives on trade, innovation, gender and Economic Outlook complement these efforts.

Draft Agenda
The OECD Southeast Asia Regional Forum
Enhancing Regional Integration and Openness

25 March 2015 – Hotel Borobudur, Jakarta, Indonesia

08:30 - 09:00 **REGISTRATION**

09:00 – 09:30 **OPENING SESSION**

Welcoming remarks by

- **H.E. Dr. Bambang BRODJONEGORO**, Minister of Finance, Indonesia
- **H.E. Mr. Angel GURRÍA**, Secretary-General, OECD
- **H.E. Mr. Le Luong MINH**, Secretary General, ASEAN (TBC)
- **Representative of Japan**

09:30 – 10:45

SESSION 1: MACROECONOMIC PERSPECTIVES AND KEY STRUCTURAL POLICY CHALLENGES IN ASEAN: POST-2015 AGENDA

This session will centre on the outlook for the Southeast Asian economies and the macroeconomic and medium-term structural policy challenges they face. In particular, structural policies to enhance productivity need strengthening to avoid the “middle-income trap” in some ASEAN countries.

Regional growth prospects look favourable overall (growth will average 5.6% in 2015-19, according to the Economic Outlook for Southeast Asia, China and India 2015), but external and domestic risks remain. In addition, growth depends on the success of key regional initiatives and further acceleration towards ASEAN Economic Community goals is essential. The Southeast Asia Regional Programme could play a key role through its regional policy networks (covering regulatory policies, infrastructure/PPP, SME policies, education, taxation, and investment) and its initiatives (on gender, innovation, trade, and Economic Outlook).

The session will consider the results of the Economic Outlook for Southeast Asia, China and India, which is produced by the OECD and the ASEAN Secretariat and launched annually at the ASEAN/East Asia Summit. The 2016 edition will focus on regional integration.

Moderator: (TBD)

Discussants:

- *Representative from ASEAN Secretariat (TBD)*
- *Representatives from ASEAN member countries (TBD)*
- *Representatives from international organisations (TBD)*
- *Representatives from OECD member countries (TBD)*

10:45 – 11:00 COFFEE BREAK

11:00 - 13:00 SESSION 2: MAXIMISING THE BENEFITS OF REGIONAL INTEGRATION

This session will focus on realising a “People-Centred ASEAN”, maximising the opportunities and managing the challenges of the ASEAN Economic Community for countries and their citizens. The focus will be on domestic reforms and the regional support mechanisms developed to achieve them. Participants will share their perspectives on how reforms in core Southeast Asia Regional Programme policy areas like education, SME policy, regulatory reform, innovation and gender contribute to the regional integration process, to achieving deeper integration and a sustainable and people-centred growth dividend.

Moderator: (TBD)

Discussants:

- ASEAN country experts, e.g. on SMEs, women’s economic participation, gender mainstreaming (tbc)
- OECD country experts, e.g. on local economic development, regulatory reform (tbc)
- Representative from ERIA
- Representatives from ASEAN member countries
- Representatives from OECD member countries and the European Commission

13:00 - 14:30 LUNCH BREAK

14:30 – 16:00 SESSION 3: REGIONAL INTEGRATION AND OPENESS

The Southeast Asian ASEAN countries are together the fourth-largest exporting region in the world, accounting for 7% of global exports, and sitting at the crossroads of a substantial portion of global trade and investment flows. In its relations with the rest of the world, ASEAN pursues a model of “open regionalism” and has a long history of economic activity and official dialogue with non-members. Mechanisms include liberalisation efforts within ASEAN, as well as ASEAN+3, ASEAN+6, APEC, and a range of free trade agreements. Substantial political, regulatory, and cultural barriers to trade and investment remain, however. Good policies on trade, investment, regulatory reform, infrastructure development and taxation – all covered by the Southeast Asia Regional Programme – can support achieving higher levels of integration.

Moderator: (TBD)

Discussants:

- Representative from ASEAN Secretariat (TBD)
- Representatives from ASEAN member countries (TBD)
- Representatives from international organisations (TBD)
- Representatives from OECD member countries (TBD)

16:00 – 16:15 COFFEE BREAK

Attempting to copy the success of East Asia over the past decades, various Southeast Asian countries have developed a range of different policies to increase productivity, improve the structure of their national economies, and better position them to reap the benefits of an expanded market, in particular in preparation for the launch of the ASEAN Economic Community. These policies and associated interventions range from improved framework conditions both generally and for specific industry sectors, over support for research and development, to providing guarantees. The success record can be patchy and path-dependent, and several measures may lead to entrenched interests and at times capital destruction. Recent research, such as the “new structural economics” or the “new industrial policy” have sparked renewed interest in setting up the processes and institutions able to ensure that such interventions target specific market failures efficiently with minimal effects on overall market openness and contestability. As a result, policy makers across the region indicate a growing demand for regional dialogue based on academic research and regional and OECD experiences to design, co-ordinate, evaluate and continuously improve such policies. This session features experiences from the region, discusses emerging good policy practices and highlights how the Southeast Asia Regional Programme can support these efforts.

Moderator: (TBD)

Discussants:

- *Representative, government agency supporting productivity-enhancing policies*
- *Representative from academia*
- *Representative, regional organisations*
- *Representatives from ASEAN and OECD member countries*

Closing remarks by:

- **Representative from Japan**
- **Representative from Indonesia**

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