

***Keynote Address  
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**Good afternoon to all especially to our ASEAN ambassadors, distinguished guests and friends of ASEAN.**

**I'm delighted to join this 53<sup>rd</sup> ASEAN Anniversary Symposium and I would like to thank Fujita-san for the invitation. Thank you also to all of you in Tokyo for celebrating the 53<sup>rd</sup> anniversary of ASEAN through this Symposium. In Jakarta, our celebration this year was made memorable by the fact that we had a virtual anniversary celebration for the first time ever.**

**No one can deny that we are now living in a very uncertain time. This unprecedented pandemic crisis has turned into an unprecedented uncertainty for the region. But this is not the first time that our region has faced these difficult times – with the memories of the Asian financial crisis in 1997 and the global financial meltdown in 2008 still not too far to forget. In fact, looking back at the history of ASEAN, our**

**region was indeed born out of the uncertainties of its time 53 years ago. But we have emerged strong and resilient all these years. That's why I'm confident that this pandemic crisis will also pass and we will recover.**

**As we gather here today, the region's economic outlook remains uncertain. By the end of the year, ASEAN is expected to contract by 2.7%, the first economic contraction in the last 22 years. Already the negative impact of the pandemic is already being felt across the region. By the end of second quarter, economic growth across countries sputtered, with notable contractions in Philippines, Singapore and Thailand. Tourism, aviation and the manufacturing sectors are being hit hardest. The global pandemic has not only caused loss of lives but also livelihoods as unemployment and business closures continue to rise across the region affecting especially the vulnerable groups such as the small businesses and informal workers.**

**COVID-19 is transforming the world like no other. People talk about the "new normal" but what exactly is the "new normal". I am glad that this forum is being organized at this critical juncture as it provides us an opportunity to have a conversation on what is the "new normal" and how economic partnerships, such as that between ASEAN and Japan, can tide us through this "new normal".**

**ASEAN was at the mid-point of implementing the ASEAN Economic Community (AEC) Blueprint 2025 when COVID-19 struck the region and spread so quickly across the globe. ASEAN was making headway on initiatives that are aimed at facilitating trade and investment in the region. Little that we know that this would eventually be made more meaningful as countries committed to keep markets open, promote unimpeded flow of trade in goods, especially essential goods, in response to the COVID-19 global pandemic. With COVID-19 and the so-called “new normal”, the AEC Blueprint 2025 Mid-Term Review also has to ensure that ASEAN’s economic integration and community-building efforts remains relevant, effective, and able to withstand future challenges.**

**But ever since we are faced with this pandemic, the determination in the region to fight has remained strong. ASEAN countries have been able to respond with actions that are decisive, targeted, and measured.**

**For example, the ASEAN health sector cooperation activated national and regional preparedness and response mechanisms for public threats, which resulted in the immediate detection of cases, delivery of medical care, conduct of contact tracing, and scaling-up of public awareness and risk communication.**

**On the political front, the response has been firm and timely. As the 36<sup>th</sup> ASEAN Summit in June, ASEAN Leaders**

**announced the establishment of COVID-19 ASEAN Response Fund and the ASEAN Regional Reserve of Medical Supplies to facilitate cooperation against COVID-19 and the development of a comprehensive recovery plan to address the socio-economic impact of the pandemic. The Leaders also reiterated the importance of implementing some cross-border measures as soon as possible such as the “travel bubbles” or “travel corridors”, as a stepping stone for the region’s recovery.**

**On the economic front, our economic ministers reaffirmed more actions to enhance the economic resilience of the region by keeping markets open as instructed by the Leaders, strengthening supply chain connectivity, and maintaining macroeconomic and financial stability. This commitment was turned into an action with the adoption of the “Hanoi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 Pandemic.”**

**Even our partners from other countries, international organizations and private sector have been collaborating with us to combat the pandemic.**

**For example, an “ASEAN-Japan Economic Resilience Action Plan” has been developed to mitigate the adverse impacts of the pandemic and strengthen economic resilience between ASEAN and Japan. Just a few days ago, I had the privilege**

**of meeting with Mr. Shoichi Ogiwara and his colleagues from Federation of Japanese Chambers of Commerce and Industry (FJCCIA) who expressed their support to expand their business operations in ASEAN despite the current uncertainties.**

**ASEAN recognizes that while the immediate priority now is to overcome this pandemic, there's a need to look ahead in terms of cautiously starting to reopen or to plan to reopen the economy and preparing for recovery. The region is now in the process of developing a comprehensive recovery framework as part of our efforts to move forward from the crisis. The framework should take the region at the various stages of the recovery, starting from the re-opening of the economies, recovery phase, and eventually towards longer-term resilience and competitiveness.**

**But when the region will emerge from the current crisis is difficult to predict as the pandemic still continues to play out. And which makes the strength of recovery also unpredictable.**

**But there are lessons that we can already glean. We know how the pandemic has changed the way we live, work and interact. For example, we've seen governments in ASEAN becoming more emboldened with quick decision-making to deal with the crisis. Businesses responding quickly to re-think their supply chains. And individuals getting more**

**concerned to change their social behaviour and follow new social norms. Indeed, we've seen a dramatic restructuring of economic and social order that we've never seen before. Perhaps this is already what we call as the "new normal."**

**But whether it is the "new normal" or the "next normal", the post-pandemic world will be a different era because we know how our current social and economic realities in ASEAN have been rendered irrelevant by this pandemic.**

**For example, in the case of ASEAN economic integration, the new normal will present fundamental changes in the way economic activities are structured, but a key question is how to navigate the viable path to the next normal.**

**I can see many possibilities.**

**First, there will be a greater realization of the importance of cross-cutting issues, particularly the intersection between ASEAN economic integration and other pillars of ASEAN. The effects of non-economic instability or crisis on the economy and the impact of economic activity to other areas, such as environment or education, will be brought to the forefront. So we can expect to see a greater focus on resilience and sustainability, which have to date been overshadowed by efficiency consideration.**

**Second, emerging trends such as digitalisation will be accelerated. While this has been high on the ASEAN agenda in recent years, there will be a renewed sense of urgency, particularly in areas with direct impact to the people, such as on e-commerce, e-payment, e-learning, e-governance, broadband connectivity, but also on the fundamentals of digital transformation, from infrastructure to regulations and institutions, from digital skills and literacy to cybersecurity. Similarly, there will be greater appreciation of the notion of inclusivity, with due consideration given to the MSMEs, the informal sector, and women.**

**Third, ASEAN will also be focusing on optimising the potential of intra-ASEAN trade and investment, not because it is turning inward, but given the realisation that the external market is unlikely to be our sole saviour from this crisis. In fact, this provide a momentum for ASEAN to tackle heads on its long standing key commitments for market integration. At the same time, efforts for trade facilitation as well as investment promotion and facilitation will also need to be redoubled.**

**Fourth, global supply chain restructuring is likely, but the effects will not be automatic. ASEAN must therefore focus on improving its appeal and competitiveness as an investment destination and a trade and production hub. This would include addressing the fundamentals such as building**

**of critical infrastructure, improving connectivity and labour productivity, good regulatory practices, among others.**

**Finally, ASEAN will remain open for business. Markets will be kept open for trade and investment, and we will further work on strengthening the utilisation of our FTAs. We expect the RCEP to be signed by the end of the year, hope for its early entry into force, which will be a boon to business and investor confidence in the much needed time for recovery.**

**In closing, ASEAN is indeed in a crisis like no other. It is a crisis where a restructuring of global and economic order seems imminent. How ASEAN should prepare itself for a changed world is indeed a challenge and an imperative of our time. But the path to recovery will reveal not just the vulnerabilities but the opportunities for a new beginning.**

**The new normal is certainly a different normal. How to make it a better normal depends on how we take our lessons seriously from this pandemic crisis.**

**Thank you very much.**

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