

ACTIVE WITH

SOUTHEAST ASIA

Southeast Asia and the OECD

A mutually beneficial and strategic partnership



Southeast Asia is one of the most dynamic and fastest growing regions in the world. With a combined GDP of USD 2.767 trillion, the region spans a market of 646 million people and attracts almost one-fifth of global FDI inflow annually. Over the next five years, growth is set to remain robust in Southeast Asia, at an average of 5.2%. Its vast endowments of natural resources, an expanding middle class, a young, dynamic and increasingly well-educated population, a diversified economy and intensive regional integration initiatives, including the ASEAN Economic Community (AEC) Blueprint 2025 and the Master Plan on ASEAN Connectivity (MPAC) 2025, underpin the region's prosperity.

Nevertheless, in a global context marked by protectionist threats and slow growth, enhancing connectivity – both among and within the ten countries, as well as with their external partners – will be key to the region's continued dynamism. It will not only bolster the ASEAN regional integration, but will also improve ASEAN's relevance in the global economy.

Building on two decades of engagement with Southeast Asia, OECD Members designated the region as a strategic priority and launched the OECD Southeast Asia Regional Programme (SEARP) at the Organisation's 2014 Ministerial Council Meeting. Since its launch, SEARP has served as a forum to share best practices and promote regional integration through its thematic work streams, supporting successive chairs of ASEAN on issues relevant to the AEC such as tax, investment, education and skills, SMEs, good regulatory practice, connectivity and PPPs.

In 2018, SEARP held its first Ministerial Conference in Tokyo, Japan, where Ministers and high-level representatives from Southeast Asia and OECD Member countries provided a strong political mandate for the next phase of the Programme. During this Ministerial Conference, substantial contributions were made to the priorities of ASEAN, most notably through the support provided to various Action Plans and policy frameworks, as witnessed by the launch of the ASEAN SME Policy Index 2018 at the margins of the 50th ASEAN Economic Ministers' Meeting in Singapore in August.

In addition to its regional activities, the OECD also works closely with individual Southeast Asian countries to deliver country-specific tools, such as the new Thailand Country Programme (2018-2020) and the third Joint Programme of Work with Indonesia (2019-2021) which focuses on providing support to domestic reform agendas. These provide partner countries with an opportunity to move closer to the Organisation by enhancing their participation in its bodies and adhering to its instruments. The OECD has also benefited from this collaboration. Southeast Asia has contributed to OECD policy debates and has improved OECD's global relevance and impact. For instance, Myanmar as co-chair along with Finland, contributed to the update of the OECD Policy Framework on Investment in 2015, reflecting new global economic fundamentals, with aspects from developing and emerging economies.

The OECD looks forward to deepening this partnership with Southeast Asia as a region, working closer with its diverse countries, which face common, but also distinct challenges. I am confident that this mutually beneficial and strategic collaboration will continue to deliver better policies for better lives in Southeast Asia, and across the OECD and Partner countries.

ANGEL GURRÍA, OECD Secretary-General

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THE OECD AND SOUTHEAST ASIA

With over 600 million people and a combined GDP of USD 2.46 trillion in 2015, the Southeast Asian region is one of the main drivers of global growth.

The OECD and Southeast Asia have a longstanding and mutually beneficial relationship that has steadily developed over the last two decades. The OECD works with all ten countries of the Association of Southeast Asian Nations (ASEAN) on a regional and country-specific level. In 2007, OECD Ministers designated Southeast Asia as a region of strategic and economic priority and Indonesia as a Key Partner.

The OECD supports Partner countries in Southeast Asia based on a whole-of-government approach.

- In May 2014, Ministers launched the OECD Southeast Asia Regional Programme to support domestic policy reforms, bring countries closer to the OECD, and support the ambitious regional integration efforts of the ASEAN Economic Community Blueprint 2025. As a Key Partner, Indonesia and the OECD have a triennial Joint Work Programme that identifies priority areas of engagement. For 2019-2021, the Joint Work Programme consolidates the existing co-operation and advances new strategic priorities including infrastructure financing, human capital development, harnessing the opportunities of the digital transformation, promoting sustainable tourism, as well as fostering a vibrant business and investment climate. The framework of Co-operation Agreement signed in 2012 allowed the opening of the OECD Jakarta Office, the Organisation's first office in Southeast Asia, in 2015. The office is also responsible for fostering enhanced OECD collaboration and facilitating OECD work with counterparts across the Southeast Asia region, and strengthening partnerships with regional organisations such as ASEAN.
- In May 2018, the OECD officially launched the Thailand Country Programme during the OECD Ministerial Council Meeting in Paris. The Country Programme is comprised of 15 projects drawing from four key strategic pillars good governance and transparency, business climate and competitiveness, "Thailand 4.0" and inclusive growth.
- Through membership in the OECD Development Centre, Indonesia, Thailand and Viet Nam share their policy experiences with 49 other emerging and developed economies.



OECD Secretary-General **Angel Gurría**, Japanese Prime Minister **Shinzō Abe**, Ministers and high-level representatives from Southeast Asia and Japan at the inauguration of the OECD Southeast Asia Regional Programme, during the OECD Ministerial Council Meeting in Paris in May 2014.

Regional and country-level approaches

“Since its launch, the OECD Southeast Asia Regional Programme (SEARP) has served as key policy dialogue with Southeast Asia, one of the most vibrant and fast growing region of the world. It has supported the domestic reform processes as well as the regional integration initiatives such as ASEAN Economic Community Blueprint 2025, Master Plan on Connectivity 2025 through the exchange of the good practices as well as mutual learning among policy makers. Building on the achievements in the past years, the SEARP will further strengthen its collaboration with the region to bring the region closer to the OECD for the realisation of an inclusive, sustainable, and seamlessly-connected Southeast Asia.”

H.E. Ambassador Mr Seong-ho Lee, Chargé d’Affaires a.i. and Deputy Permanent Representative of Korea to the OECD, Co-chair of the Southeast Asia Regional Programme



“Over the past 10 years, relations between Thailand and the OECD have continued to expand in both breadth and depth. Our collaboration is very much in line with the Royal Thai Government’s reform agenda, Thailand’s 20 – year National Strategy (2017 – 2036) and the National Economic and Social Development Plan (2017-2021), which aims to move forward on key areas of structural reform such as good governance and transparency, business climate and competitiveness, Thailand 4.0 and inclusive growth. The launch of the OECD Southeast Asia Regional Programme in 2014 has reflected the priority the OECD attaches to the Region. Not only can the ASEAN Countries benefit from the excellence of the OECD as a platform for global policy dialogue and as an international standard setter, the OECD, at the same time, could learn from ASEAN’s experience in their regional integration efforts.”

H.E. Mr Don Pramudwinai, Minister of Foreign Affairs of Thailand



© OECD Secretary-General **Angel Gurría** meets with **H.E. Joko Widodo**, President of the Republic of Indonesia, on at the Presidential Palace, Jakarta.
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🕒 October 2018:
Renewal of the
OECD-Indonesia Joint
Work Programme on
the sidelines of the
Annual Meetings of the
International Monetary
Fund and the World Bank
Group, in Bali, Indonesia
– **H.E. Sri Mulyani
Indrawati**, Minister of
Finance, Indonesia and
Angel Gurría, Secretary-
General of the OECD.

“Advancing growth and development in Southeast Asia is a core priority for the OECD, and lies at the heart of the mandate of the OECD’s Southeast Asia Regional Programme (SEARP) since its creation in 2014. Over the past four years, the Programme has delivered tangible results for the region and led to stronger engagement by Southeast Asian countries in OECD bodies and standards.”



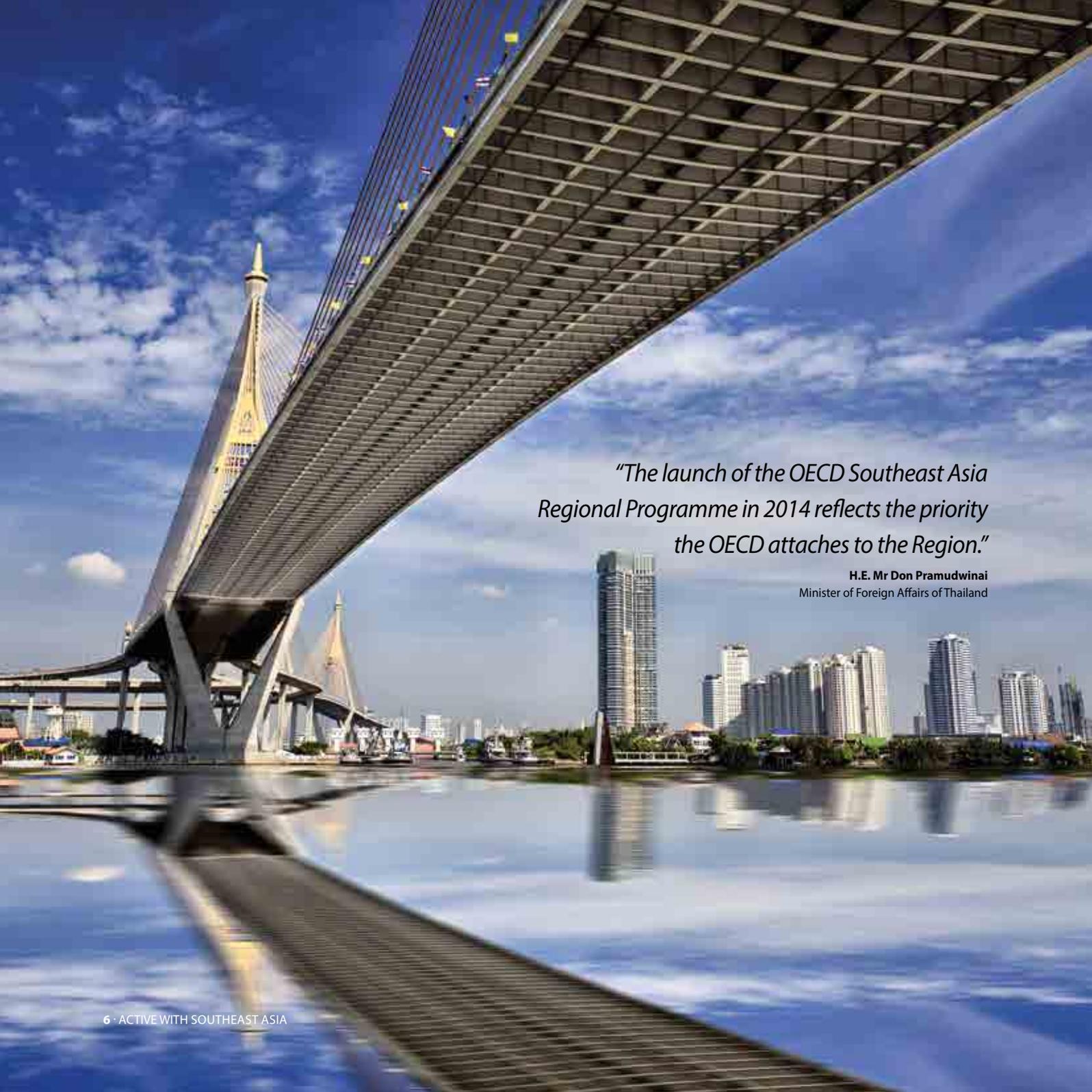
As Chair of the External Relations Committee of the OECD, I am committed to further deepening the Organisation’s partnership with Southeast Asia. I would also like to congratulate Korea and Thailand as the new co-chairs of the SEARP. I look forward to working closely with them as well as with OECD and ASEAN Member Countries to continue to strive toward our shared ambition to achieve greater prosperity for all.”

Ivita Burmestre, Ambassador, Permanent Representative of Latvia to the OECD and Chair of the External Relations Committee

“The OECD is engaged in supporting global and regional governance such as G20, APEC, ASEAN and the Pacific Alliance. Southeast Asia is an economic powerhouse and a strategic global player. The ASEAN block is now the 5th largest economy in the world and a major global hub of manufacturing and trade. With 646 million citizens, it is also one of the fastest-growing regions with very dedicated and high-skilled people. The OECD’s Southeast Asia Regional Programme was established to support the countries’ goals to advance their development process and deliver higher level of well-being for their people. This includes supporting them in their reform processes and regional integration efforts. It also seeks to bring Southeast Asian countries closer to the OECD, while also learning from their experiences and innovative practices. This longstanding cooperation makes us proud, particularly, in joining efforts to build a more inclusive, innovative and sustainable future for their societies.”



Ms Gabriela Ramos, Chief of Staff and Sherpa to the G20, OECD



*“The launch of the OECD Southeast Asia
Regional Programme in 2014 reflects the priority
the OECD attaches to the Region.”*

H.E. Mr Don Pramudwinai
Minister of Foreign Affairs of Thailand

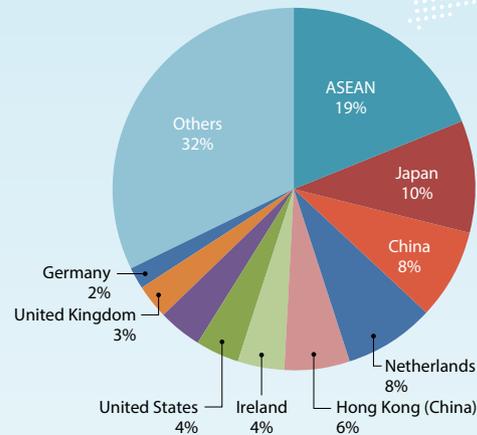
Southeast Asia – A dynamic region with significant economic potential

Located in the heart of the Asia-Pacific region, Southeast Asian countries have made remarkable progress in raising income levels, reducing poverty and integrating into the world economy.

- Growth performance remains solid and steady.** The ten ASEAN Member States are projected to see annual growth of 5.3% in both 2018 and 2019, with the highest rates of growth in CLM countries (Cambodia, Lao PDR, and Myanmar), Viet Nam and the Philippines.
- Domestic demand is the main driver of growth.** In most ASEAN countries, the transition to middle- and high-income country status is foreseeable within the next decade. Malaysia is projected to become a high-income country in 2024.
- The region has a favourable demography.** Southeast Asia serves a market bigger than Europe and North America with a population of more than 600 million. After China and India, ASEAN has the world's third largest population.
- The OECD and ASEAN economies are interdependent.** Approximately 32% of FDI entering ASEAN comes from OECD countries, accounting of 43.6 billion USD out of 137 billion in total FDI flows in 2017. Around 40% of ASEAN's key external trading partners are OECD countries (Figure 2).

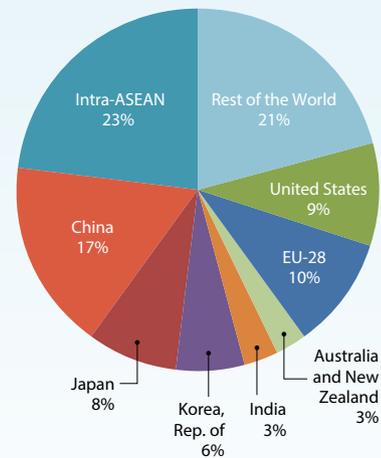


Figure 1. Share of sources of Foreign Direct Investment Inflows into ASEAN, 2017



Source: ASEAN Foreign Direct Investment Statistics Database

Figure 2. ASEAN trade in goods by selected partner country/region, (USD billion, 2017)



Source: ASEAN Secretariat (2016)



Southeast Asia at a glance

The OECD's global relations strategy seeks to make the Organisation a more effective global policy network. Our engagement with Southeast Asia, a region of strategic priority for the OECD, encompasses a growing range of policy areas such as investment, innovation, and integrity.

With the new phase of the Southeast Asia Regional Programme (SEARP), we will further strengthen our collaboration with the region to facilitate stronger participation in a broad range of OECD bodies, instruments and activities. For instance, SEARP recently added competition policy to its work programme to support ASEAN member countries in designing and implementing competition assessments of laws and regulations in line with international standards.

We are also enriching our co-operation with regional fora of key importance, such as ASEAN and APEC, as well as with individual countries in the region. The Country Programme with Thailand has played a key role in supporting the country's reform agenda and in disseminating best practices to the benefit of the Thai economy and society. Our Joint Work Programme with Indonesia has contributed to make economic growth stronger and more inclusive throughout the country. We look forward to continuing and deepening this mutually beneficial and strategic co-operation.



Andreas Schaal, Director of Global Relations, OECD

Brunei Darussalam

428,697



79,000 2.0%



♂: 76 – ♀: 79

Cambodia

16,005,000



4,010 6.9%



♂: 67 – ♀: 71.5

Indonesia

264,000,000



12,404 5.3%



♂: 67 – ♀: 72

Lao PDR

6,810,000



5,350 7.5%



♂: 66 – ♀: 69

Malaysia

32,600,000



29,100 4.6%



♂: 73 – ♀: 78

Myanmar

53,370,000



5,500 7.0%



♂: 64 – ♀: 69

Philippines

104,900,000



8,400 6.6%



♂: 66 – ♀: 73

Singapore

5,700,000



94,100 2.7%



♂: 81 – ♀: 85

Thailand

69,037,000



17,900 3.7%



♂: 72 – ♀: 79

Viet Nam

95,550,000



7,000 6.5%



♂: 72 – ♀: 81

**Population** (2015)**GDP per capita (PPP) USD****Average life expectancy** (2015)**Real GDP growth-annual percentage change** (2017-21 average forecast)

Source: OECD (Economic Outlook for Southeast Asia, China and India 2017), WHO

The OECD Southeast Asia Regional Programme

The OECD launched the Southeast Asia Regional Programme (SEARP) at the OECD Ministerial Conference Meeting in May 2014. The main objective of the SEARP is to support regional integration, contribute to domestic reform efforts, and bring countries closer to the OECD instruments and standards. It also aims to foster mutual

learning and the exchange of good practices between policy-makers in Southeast Asia and OECD countries. At the SEARP Tokyo Ministerial Meeting in March 2018, Ministers and High level Representatives from both OECD and Southeast Asian countries provided a strong political mandate for the next phase of the Programme.

MEETINGS

2013

MCM: Mandate to establish a comprehensive Southeast Asia Regional Programme

2014

March: First OECD Southeast Asia Regional Forum: *Regional Competitiveness for Sustained Growth*, in Bali, Indonesia

May: Official launch of the SEARP during the OECD Ministerial Council Meeting

2015

March: Second OECD Southeast Asia Regional Forum: *Enhancing Regional Integration and Openness*, in Jakarta, Indonesia

2016

June: Third OECD Southeast Asia Regional Forum: *Boosting Productivity and Inclusiveness in Southeast Asia*, in Hanoi, Viet Nam

OUTPUTS

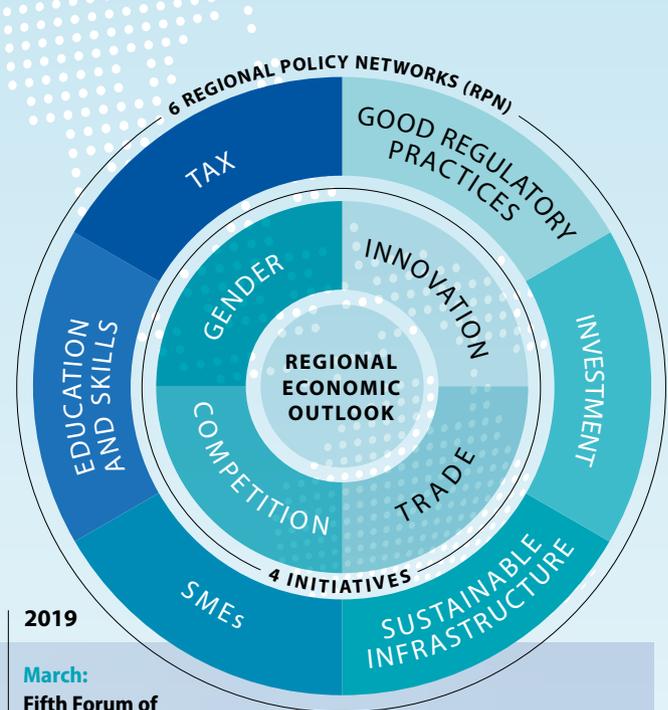
- Investment Policy Review of Malaysia
- Review of Innovation Policy in Southeast Asia
- Economic Outlook for Southeast Asia, China and India 2013

- Investment Policy Review of Myanmar
- Review of Innovation Policy of Viet Nam
- Economic Outlook for Southeast Asia, China and India 2015
- ASEAN SME Policy Index 2014
- Revenue Statistics in Asian Countries 2014: *Trends in Indonesia and Malaysia*

- Review of National Policies for Education of Indonesia
- Implementing Good Regulatory Practice in Malaysia
- Economic Outlook for Southeast Asia, China and India 2016
- Report on Private Infrastructure Investment: *Availability of Risk Mitigation Instruments in ASEAN Member States*
- Revenue Statistics in Asian Countries 2015: *Trends in Indonesia, Malaysia and the Philippines*

- Investment Policy Review of Philippines
- Review of Innovation Policy of Malaysia
- Review of National Policies for Education of Thailand
- Economic Outlook for Southeast Asia, China and India 2017
- Revenue Statistics in Asian Countries 2016: *Trends in Indonesia, Japan, Korea, Malaysia, the Philippines and Singapore*

In addition, Japan and Indonesia handed over the reigns to the new Co-chairs, Korea and Thailand, for the period 2018-2020. At the Inter-sessional Steering Group meeting of SEARP in September 2018 in Paris, the Steering Group agreed to include competition policy as a new work stream.



2017

August: Fourth OECD Southeast Asia Regional Forum in *Opportunities and Policy Challenges of Digital Transformation in Southeast Asia*, in Bangkok, Thailand

- OECD Review on Local Job Creation: *Employment and Skills Strategies in the Philippines*
- Investment Policy Review of Viet Nam
- Investment Policy Review of Lao PDR
- Investment Policy Review of Cambodia
- Economic Outlook for Southeast Asia, China and India 2018
- Policy Handbook on Strengthening Women's Entrepreneurship in ASEAN

2018

March: OECD Southeast Asia Regional Programme's First Ministerial Meeting: *Inclusive ASEAN*, in Tokyo, Japan

- Investment Policy Review of Southeast Asia
- Investment Policy Review of Viet Nam
- Investment Policy Review of Cambodia
- ASEAN SME Policy Index 2018
- Economic Outlook for Southeast Asia, China and India 2019

2019

March: Fifth Forum of the OECD Southeast Asia Regional Programme: *Connecting Southeast Asia*, in Paris, France

- High-Growth Enterprises in ASEAN
- Alternative Finance for SMEs in ASEAN
- SEA Going Digital: *Connecting SMEs*
- SME Productivity in ASEAN
- Participation and benefits of SMEs in GVCs in Southeast Asia
- Investment Policy Review of Myanmar
- Economic Outlook for Southeast Asia, China and India 2020
- Series of Revenue Statistics in Asian and Pacific Economies: *Malaysia, Philippines, Singapore and Thailand*

SEARP supports ASEAN and APEC

The OECD SEARP works closely with ASEAN in implementing the ASEAN Economic Community Blueprint 2025 “as an institution of strategic collaboration”.

The engagement includes support for the ASEAN Secretariat and the rotating Chairs. OECD has contributed to delivering: →

Going forward, the OECD will work with the ASEAN Coordinating Committee on Services for the development of an ASEAN Services and Trade Restrictiveness Index (ASEAN-STRI), building on the existing OECD STRI. Most importantly, the OECD looks forward to strengthening our relationship with ASEAN through more formalised and systematic engagement with the economic pillar and its bodies.

The OECD also works with the Asia-Pacific Economic Co-operation (APEC) via the Finance Ministers and Senior Officials Processes. During Viet Nam’s host year in 2017, the OECD delivered work on long-term investment in infrastructure, disaster risk mitigation, financial literacy and BEPS for the Finance Ministers’ Meeting on 19-21 October 2017. Most recently, during the Papua New Guinea’s host year in 2018, the OECD and the APEC’s Policy Support Unit (PSU) signed a Memorandum of Understanding on Co-operation covering a wide range of policy areas such as trade and investment, connectivity and sustainable economic development. The OECD stands ready to closely collaborating with Malaysia as the APEC host economy in 2020.

2014

During Myanmar’s Chairmanship, SEARP developed with SEOM the ASEAN Principles for Public Private Partnership (PPP) Frameworks with expertise from the RPN on Sustainable Infrastructure. Follow up work focuses on supporting the ASEAN Coordination Committee on Connectivity and implementations of Master Plan of ASEAN Connectivity (MPAC 2025).

2015

SEARP supported the ASEAN chair, Malaysia, by providing inputs to the ASEAN Strategic Action Plan for Small and Medium-sized Enterprises Development 2016-2015 (SAPSMED) – building on the work of the RPN on SMEs, closely conducted with the ASEAN Coordination Committee on MSMEs.

2016

SEARP supported Lao PDR’s chairmanship to implement the AEC Blueprint on a broad range of policy areas covered by the Programme. Support includes the launch of the OECD Project for ASEAN SMEs (COPAS); and the drafting of:

- ASEAN Work Plan for Enhancing GVC Participation
- ASEAN Institutional Framework on Access to Finance MSME
- Report and Work Programme on Starting a Business in ASEAN
- ASEAN Guidelines for SEZ

2017

Development and Collaboration SEARP supported the Philippines’ Chairmanship and worked on the Policy Handbook on Women Entrepreneurship in ASEAN, ASEAN Principles on Good Business Registration Practice, High-level SEARP related meetings on regulatory practice and SMEs, and Inclusive Business in ASEAN.

2018

SEARP is collaborating with the Singapore’s ASEAN Chairmanship in several policy areas such as e-commerce, smart cities and digitalisation.



“The important work carried out by OECD aligns with ASEAN’s work across a range of areas, from competition and consumer protection, to good regulatory practice, investment, sustainable infrastructure, and development of SMEs, to name a few. These initiatives have the potential to assist ASEAN to further our work in meeting our regional integration and connectivity agendas under the ASEAN Economic Community Blueprint 2025 and the Master Plan on ASEAN Connectivity 2025. Given the uncertain global environment, we look forward to continue working with the OECD towards achieving sustainable and inclusive development in the region.”

Dato Lim Jock Hoi, Secretary-General of ASEAN



“OECD is an important partner of Viet Nam in knowledge sharing and capacity building in development issues. Viet Nam supports and actively participates in the implementation of the OECD Southeast Asia Regional Programme (SEARP), which brings ASEAN countries tangible benefits through policy dialogue in economic reform and integration towards sustainable and inclusive development. The OECD Forum on Southeast Asian Region hosted by Viet Nam in co-ordination with OECD in June 2016 contributed to enhancing dialogue and collaboration between ASEAN countries and OECD. In 2017, Viet Nam is the host of the Economic Leaders’ Meeting of the Asia Pacific Economic Co-operation (APEC), an important economic forum connecting two rims of the Pacific. Viet Nam appreciates OECD for its support to APEC 2017’s priorities and expects OECD’s practical contribution to sharing in-depth analysis and discussion on key development issues across Asia Pacific in the new global context.”

Bui Thanh Son, Permanent Deputy Minister of Foreign Affairs of Viet Nam



The OECD Southeast Asia Regional Forum

The OECD Southeast Asia Regional Forum is a platform for sharing policy experiences and best practices with a different thematic focus each year.

The OECD Southeast Asia Regional Forum is the main OECD event in the region each year. It is designed to provide a platform for policy dialogue and the exchange of views on global and regional challenges facing policy makers in Southeast Asia and OECD countries. The aim is to develop a common understanding of joint challenges and identify best policy solutions.

The OECD benefits greatly from ASEAN country experiences and perspectives, which enrich the policy debate at the OECD. At the same time, Southeast Asian countries can tap into the wealth of OECD expertise to inform their policy reforms.

Each year the Forum addresses a different thematic focus of relevance to both Southeast Asia and the OECD:

2014 – Regional Competitiveness for Sustained Growth;

2015 – Enhancing Regional Integration and Openness;

2016 – Boosting Productivity and Inclusiveness in Southeast Asia;

2017 – Opportunities and Policy Challenges of Digital Transformation in Southeast Asia

2018 – Ministerial Forum: Inclusive ASEAN

2019 – Connecting Southeast Asia



© The Co-chairmanship handover ceremony during the First Ministerial Conference Meeting in Tokyo in March 2018.

From the left to right:
H.E. Dr Mardiasmo, Vice Minister of Finance, Indonesia;
H.E. Mr Virasakdi Futrakul, Deputy Minister of Foreign Affairs, Thailand;
H.E. Mr Hyun CHO, Vice Minister of Foreign Affairs, Korea; and
H.E. Mr Kazuyuki Nakane, State Minister for Foreign Affairs, Japan



⌚ Ministers and high-level representatives from Southeast Asia at the First Ministerial Meeting of the OECD Southeast Asia Regional Programme in March 2018, Tokyo.

⌚ High-level representatives from SEA and OECD countries at the 2017 Southeast Asia Regional Forum in Bangkok, Thailand in August 2017.





**SUSTAINABLE,
BALANCED
AND INCLUSIVE
GROWTH**

Maintaining economic resilience



OECD Economic Surveys are an important tool for exchanging views on best practices and improving policy design in OECD Member countries and Key Partners. The OECD prepares Economic Assessments for selected Southeast Asian countries that face challenges in achieving high-income country status.

The 2018 *OECD Economic Survey of Indonesia*, released in Bali in October, contains thematic chapters on raising revenues to meet spending needs and developing a stronger and sustainable tourism sector. The Survey highlights the importance of investing in the tax administration, as well as broadening tax bases, to boost tax revenues and enable government infrastructure investment and social spending. Tourism is an opportunity to boost regional development. Recommendations to mitigate the environmental costs of rapid growth include investing in environmentally related infrastructure and focusing targets more on revenues rather than numbers. The Survey also calls for reforms to tackle pervasive informality and invest in skills to shift more employment to high quality, formal sector jobs and enable Indonesia to make the most of its youthful population.

The Indonesian Minister of Finance, Sri Mulyani launched the report – the sixth in the series – alongside the OECD Secretary-General, Angel Gurría. Numerous interactions throughout the preparation of the Survey allowed knowledge sharing on both sides and rich discussions on best practices and policies, including through OECD meetings with policy-makers in Indonesia and policy dialogue during the peer review at the Economic and Development Review Committee (EDRC) meeting. The next *Economic Survey of Indonesia* will be published in 2020.

The launch of the first *OECD Economic Assessment of Malaysia* took place in November 2016, hosted by Dr. Ali Hamsa, Chief of Secretary to the Government. The publication includes two in-depth thematic chapters on boosting productivity and fostering inclusive growth that provided a comprehensive set of views on Malaysia's successful record of socio-economic development and its key challenges. The preparation of the report allowed for

“Global conditions are becoming increasingly challenging, underpinned by complex global interlinkages and shifting trends. Inward-looking policies and a sharp tightening of global finances, particularly in advanced economies, could dampen the prospects of global growth and trade activity. More innovative strategies are imperative for emerging and developing economies to remain resilient, sustainable and inclusive in this challenging time.

OECD’s multi-faceted expertise in policy research and advocacy complements policymakers in this region by providing an objective outside-in perspective and tools for the benchmarking of global practices. Mainstreaming and engendering these innovative policy tools will support government efforts to increase economic resilience and the enhanced wellbeing of their people. On that note, we look forward to further collaborations with the OECD for better socioeconomic outcomes.”

Dr Ali Hamsa, Former Chief Secretary of the Government of Malaysia



Maintaining economic resilience

rich interactions between OECD economists and the Malaysian authorities, together with exchanges of best practice between OECD member countries and Malaysia in the EDRC meeting. The OECD is preparing the second **Economic Assessment** with a projected release in mid-2019. The report will highlight fiscal sustainability as a basis for fostering inclusive growth and will provide recommendations to enhance the development and use of skills of its population. An Economic Assessment of Thailand will start in mid-2019 after the completion of Thailand's Multi-dimensional Country Review.

www.oecd.org/eco/

The OECD Development Centre produces the biannual **Economic Outlook for Southeast Asia, China and India**, in collaboration with several regional organisations. It monitors short-term macroeconomic challenges and medium-term economic trends in emerging Asia region.

The 2019 edition of the Outlook, launched at ASEAN Business and Investment Summit in Singapore on 12 November 2018, concluded that growth in emerging Asia would remain robust



© Launch of the *Economic Outlook for Southeast Asia, China and India 2019*, at the ASEAN Business and Investment Summit in Singapore in November by **Mario Pezzini**, Director, OECD Development Centre.

in the near-term. However, to address potential growth risks, the report encourages governments to harness their policies to maximise the opportunities and mitigate the risks of financial technology, strengthen export performance amidst rising protectionism and mitigate the risks of natural disasters.

In its special thematic chapter regarding smart cities in Emerging Asia, OECD highlights issues related to smart urban transportation. To this end, the report provides policy options for governments to improve the traffic conditions in cities in the region. The Outlook serves as an important medium for the Organisation in understanding economic developments in emerging Asia. It provides insights through policy dialogues and consultations with government representatives and delegates from other institutions, such as ERIA, AMRO, UNESCAP, ADB/ADBI, and the ASEAN Secretariat.

The 2019 Update edition will look at environmental challenges of urbanisation in Emerging Asian economies, in particular related to pollution and natural disaster challenges.

www.oecd.org/dev/asia-pacific





Supporting green growth initiatives

The environmental risks faced by emerging and developing countries today call for a fundamental shift in approach. By integrating environmental considerations and the value of natural capital into economic decision making and development planning, green growth can help Southeast Asian economies secure a stronger and more secure future.

The OECD's Green Growth Strategy, including its key publications **Towards Green Growth**, has set out a comprehensive guide to encouraging green growth and measuring progress towards it. The OECD will continue to apply the **Urban Green Growth Policy Framework** to more cities in Southeast Asia. Furthermore, under the framework of OECD National Urban Policy Review, the OECD will continue to study urban green growth.

Five Southeast Asian cities participated in the OECD's **Urban Green Growth in Dynamic Asia** project launched in 2013, which has resulted in studies of policies and governance practices to promote green growth in Bandung (Indonesia), Bangkok (Thailand), Cebu (Philippines), Haiphong (Viet Nam) and Iskandar (Malaysia). These cities also hosted peer-learning workshops in 2014-2015, supported by the **OECD Knowledge Sharing Alliance**. The key findings from the five Southeast Asian case studies were important inputs to the OECD Green Growth and Sustainable Development Forum in November 2016. At the Forum, the OECD launched the synthesis report of the **Urban Green Growth in Dynamic Asia** project.

The **OECD Review on Green Growth in Cebu, Philippines**, the fourth case study in the Urban Green Growth in Dynamic Asia project, was launched in October 2017. The report analyses the economic and environmental performance of Cebu, assesses policies and governance practices that can promote green growth, and provides recommendations to enhance Cebu's green growth potential. The report also places a special focus on the link between water security and green growth as well as on governance, with an analysis of Metro Cebu's unique metropolitan governance system characterised by the Metro

Cebu Development and Co-ordinating Board, a consortium of public authorities, private sector and civil. In 2018, the **OECD National Urban Policy Review of Viet Nam**, featured urban green growth in a special chapter.

In 2019, the OECD will launch the **Green Growth Policy Review of Indonesia**, to highlight good practices and provide recommendations on how Indonesia can transition to a green and low-carbon economy. The OECD is working on the review in close collaboration with the Ministry of Environment and Forestry, the Ministry for National Development Planning (BAPPENAS), the Ministry of Finance and the Coordinating Ministry of Economic Affairs. The **2019 Green Growth and Sustainable Development Forum** will focus on the effect of the shift towards a circular and low-carbon economy on the extractive and heavy industries, and is of relevance to several Southeast Asian countries.

www.oecd.org/greengrowth/asia.htm

www.oecd.org/regional/greening-cities-regions/citiesclimatechangeandgreengrowth.htm

www.oecd.org/greengrowth/knowledge-sharing-for-urban-green-growth-in-dynamic-asia.htm

www.oecd.org/greencities



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Promoting regional development and urbanisation



Countries need competitive and dynamic cities and regions to achieve their economic, social and environmental objectives. The OECD examines how best to promote urban and regional competitiveness, as well as effective and innovative territorial governance, providing policy advice to governments at national and sub-national levels.

Co-operating with Southeast Asian countries has helped the organisation to understand diverse policy contexts and to develop effective policy strategies in Southeast Asian countries, which could be applied to other regions. Regions and cities are important hubs of productivity and innovation and play a key role in providing skills and creating environmental efficiency for sustainable and inclusive growth.

During the COP 24 Conference held in December 2018, in Katowice, Poland, the OECD launched the report, **Building Resilient Cities: An assessment of disaster risk management policies in Southeast Asia**. This report analyses disaster risk management policies across levels of government to enhance urban resilience in Bandung, Bangkok, Cebu, Hai Phong and Iskandar. The report identifies policy challenges related to disaster risk management, assesses the impacts of current policy practices, and proposes more efficient and effective disaster risk management policy options.

The *OECD National Urban Policy Reviews* provides a comprehensive assessment of a country's urban policies by focusing on those that explicitly or implicitly affect urban development. Most recently, the OECD launched the **Urban Policy Review of Viet Nam**, the first OECD urban policy review to address a country in Southeast Asia on 7 February 2018 during the 9th World Urban Forum. The report provides a comprehensive assessment of Viet Nam's urban policies and analyses how national spatial planning for urban areas, along with specific sectoral policies, directly and indirectly affect Viet Nam's urban development. It points to a number of policy areas that Viet Nam can tap into in order to capitalise fully on the unique opportunities that its urbanisation

process may bring about, including urban transport, housing, land, the quality of urban environment, and urban green growth.

In October 2016, the OECD launched the **National Urban Policy Programme** (NUPP) at the Habitat III conference in Quito, Ecuador. The NUPP is a joint initiative by the OECD, UN Habitat and Cities Alliance to support the design and implementation of country National Urban Policy (NUP) that is a key implementation tool of the **New Urban Agenda**. Under the framework of the NUPP, the OECD will continue to support national urban policy development in Southeast Asian countries such as Myanmar. Moreover, in the **Economic Outlook for Southeast Asia, China and India 2019: Fostering Growth through Digitalisation**, the OECD and the Development Centre analysed smart city policies in Southeast Asia and discussed how central and local governments can work together to effectively address diverse urban challenges via the smart city concept.

www.oecd.org/gov/regional-policy/

www.oecd.org/gov/regional-policy/urbandevlopment.htm

www.oecd.org/gov/national-urban-policies.htm



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Increasing agricultural productivity and food security

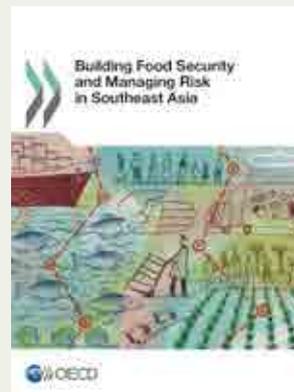
Southeast Asia is an important region for agriculture economy in the global market. Boosting productivity and innovation, improving access to food and increasing agricultural trade flows will enhance food security in the ASEAN region.

Co-operation between the OECD and Southeast Asia on agriculture has deepened over the years. Indonesia, Viet Nam and the Philippines participate in the OECD annual flagship **Agricultural Policy Monitoring and Evaluation** report. This regular assessment provides the necessary broad perspective on agricultural policy developments by measuring government support to agriculture in over 50 countries. In 2017, the OECD published a study on **Building Food Security and Managing Risk in Southeast Asia** that identified ASEAN rice market integration as a key measure to increase regional food security, and undertook a feasibility study to explore concrete steps ASEAN policy-makers can improve food security and improve agricultural development in the region through market integration.

In 2018, two outreach events were held in the region: **Making Agro-food Markets Work for ASEAN** in November, which explored issues around food safety, food security, fisheries, digital technologies in agriculture and agro-food GVCs; and **Regional Conference on Agro-food Value Chains in ASEAN** in June, which focused on analytical approaches to policies enhancing the gains from GVC participation.

The OECD looks forward to continue working closely with Southeast Asian countries on agriculture. As the region becomes more integrated in the world agro-food markets, regional policy-makers will increasingly want to get the most out of these opportunities as an important source of producer incomes, and food for consumers.

www.oecd.org/agriculture/
www.agri-outlook.org/



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Promoting development and effective co-operation worldwide

Multi-Dimensional Country Reviews (MDCRs), a horizontal initiative led by the OECD Development Centre, support developing countries in designing high-impact development strategies. Myanmar, Thailand and Viet Nam have completed or are currently are undertaking MDCRs.

The Reviews adopt a multi-dimensional perspective to identify the key constraints to development, assessing whether obstacles to drivers of growth also impede deeper determinants of economic development or wellbeing of citizens. They combine rigorous benchmarking and measurement metrics with Strategic Foresight and incorporate the OECD's Well-Being Framework with structural economic analysis. Furthermore, MDCRs have been expanded and since recently include a framework to measure and monitor progress for the Sustainable Development Goals (SDGs). This will assist countries in the process of SDG prioritisation and designing implementable strategies to achieve the SDGs. The OECD launched the third and final phase of the

Multi-dimensional Review of Myanmar in Nay Pyi Taw and Yangon in June 2016, and the second Phase of the **Multi-dimensional Review of Review of Thailand** in Bangkok in February 2019.

MDCRs are an OECD tool to engage with Partner countries and are designed as mutually beneficial collaboration: MDCRs make available OECD's and its Development Centre's knowledge base and best practices in specific policy domains. At the same time, MDCRs bring to the OECD experiences from developing countries, which feed the debate and broaden perspectives on development challenges as well as solutions.

Going forward, the OECD and its Development Centre will continue to work with Thailand and Viet Nam to help develop their high-impact development strategies and support SDG prioritisation and implementation.

www.oecd.org/development/mdcr/





The Global Partnership for Effective Development Co-operation is a multi-stakeholder platform that aims to advance the effectiveness of all development efforts and contribute to the achievement of the Sustainable Development Goals. Jointly supported by the OECD and UNDP, it engages governments, bilateral and multilateral development partners, civil society organisations, private sector and other actors in the Southeast Asia region to strengthen the quality of their development co-operation.

Nine countries¹ in Southeast Asia have endorsed **the Global Partnership Principles for Effective Development Co-operation**: ensuring country ownership of development efforts, adopting a results-based focus, establishing inclusive partnerships for development, and enhancing transparency and accountability.

1. Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Viet Nam.

Several countries in the region participated in the Global Partnership High Level Meetings. **Indonesia** has been a Co-chair of the Global Partnership from 2012 to 2014 and since 2016, the Philippines represent dual countries receiving and providing development co-operation in the Global Partnership Steering Committee.

Southeast Asian countries regularly engage in the Global Partnership's biennial monitoring exercise, which tracks progress in the quality and impact of development co-operation and generates evidence for UN-led follow-up and review of SDGs (specifically goals 5 and 17). Cambodia, Lao PDR, Myanmar, the Philippines, and Viet Nam participated in the 2016 and 2018 monitoring rounds; Indonesia and Malaysia are engaged in developing approaches to measure effectiveness of South-South Co-operation. Results from the 2018 round are available in early 2019 and provide trends against the effectiveness commitments and in strengthening partnerships for the SDGs in Southeast Asia.



Promoting development and effective co-operation worldwide

The **2016 Global Partnership Monitoring Report** indicated a good share (89.6%) of development projects and programmes in the region aligned to national priorities. Nonetheless, the use of country results frameworks and reliance on national monitoring systems to track project implementation was significantly lower (respectively at 58.6% and 52.4%). Most countries had inclusive mutual accountability reviews in place while only the Philippines had systems to track public allocations for gender equality and women's empowerment. Providers' use of public financial management and procurement systems when channelling development co-operation is higher than in other regions, particularly in the Philippines and Viet Nam (78.5% and 62% respectively). Since 2017, the Global Partnership supports evidence-based, inclusive dialogue and policies to scale up effective private sector engagement (PSE) through development co-operation. The Philippines Chamber of Commerce and Industry is actively engaged in this work stream, providing strategic advice and policy guidance on how the development co-operation community can effectively work with the private sector for better country-level results. Principles and guidelines

for the effective use of public resources for PSE will be launched at the 2019 Global Partnership Senior-Level Meeting, in the margins of the UN High Level Political Forum in New York.

In September 2018, more than 190 representatives from over 80 countries met in Paris for the two-day event "Reinvigorating Effectiveness for the 2030 Agenda", to inject fresh thinking on how to maximise effectiveness as a tool to drive sustainable development. Cambodia, Lao PDR, Myanmar, the Philippines and Viet Nam actively contributed to the discussions, sharing good practices and clear examples on how they are forging ahead with effectiveness at country level.

In the run up to the Global Partnership 2019 senior level meeting, the OECD will continue to work closely with Southeast Asian countries, development partners, civil society and businesses to improve development co-operation outcomes and accelerate SDG implementation.

www.effectivecooperation.org



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Better data for better policies

In light of the United Nation's 2030 Agenda for Sustainable Development, awareness of the need to mobilise government revenue in developing countries to fund public goods and services is increasing. The Revenue Statistics in Asian and Pacific Economies is an annual publication presenting key indicators to track progress on domestic resource mobilisation and to inform tax policy and reform.

The fifth edition of this publication has been expanded to include Pacific countries for the first time. Revenue Statistics in Asian and Pacific Economies 2018, presents detailed, internationally comparable data on tax revenues for 16 Asian and Pacific economies. These include Australia, the Cook Islands, Fiji, Indonesia, Japan, Kazakhstan, Korea, Malaysia, New Zealand, Papua New Guinea, the Philippines, Samoa, Singapore, the Solomon Islands, Thailand and Tokelau – and on non-tax revenues for four Pacific economies – the Cook Islands, Papua New Guinea, Samoa and Tokelau. The report also includes a special feature on managing taxpayer compliance.

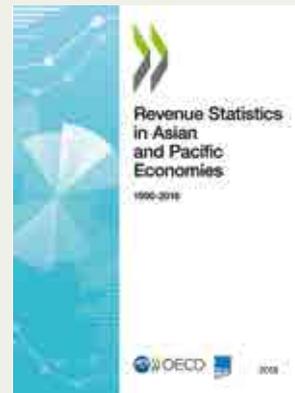
Revenue Statistics in Asian and Pacific Economies contributes to the Regional Policy Network on tax of the OECD's Southeast Asia Regional Programme that aims to strengthen the relations between OECD and Southeast Asian countries. It is a valuable resource for policy-makers, academia and the broader development community as well as for the OECD staff at large who are analysing fiscal issues in the region.

Future editions of the publication will include expanded coverage in the Asia-Pacific region as well as special features on topics of interest to the region.

The OECD is currently working with national statistics offices in Southeast Asia to encourage countries to move closer to international standards and provide comprehensive statistical indicators for international comparisons. For example, the OECD co-operates with Indonesia in several statistical domains

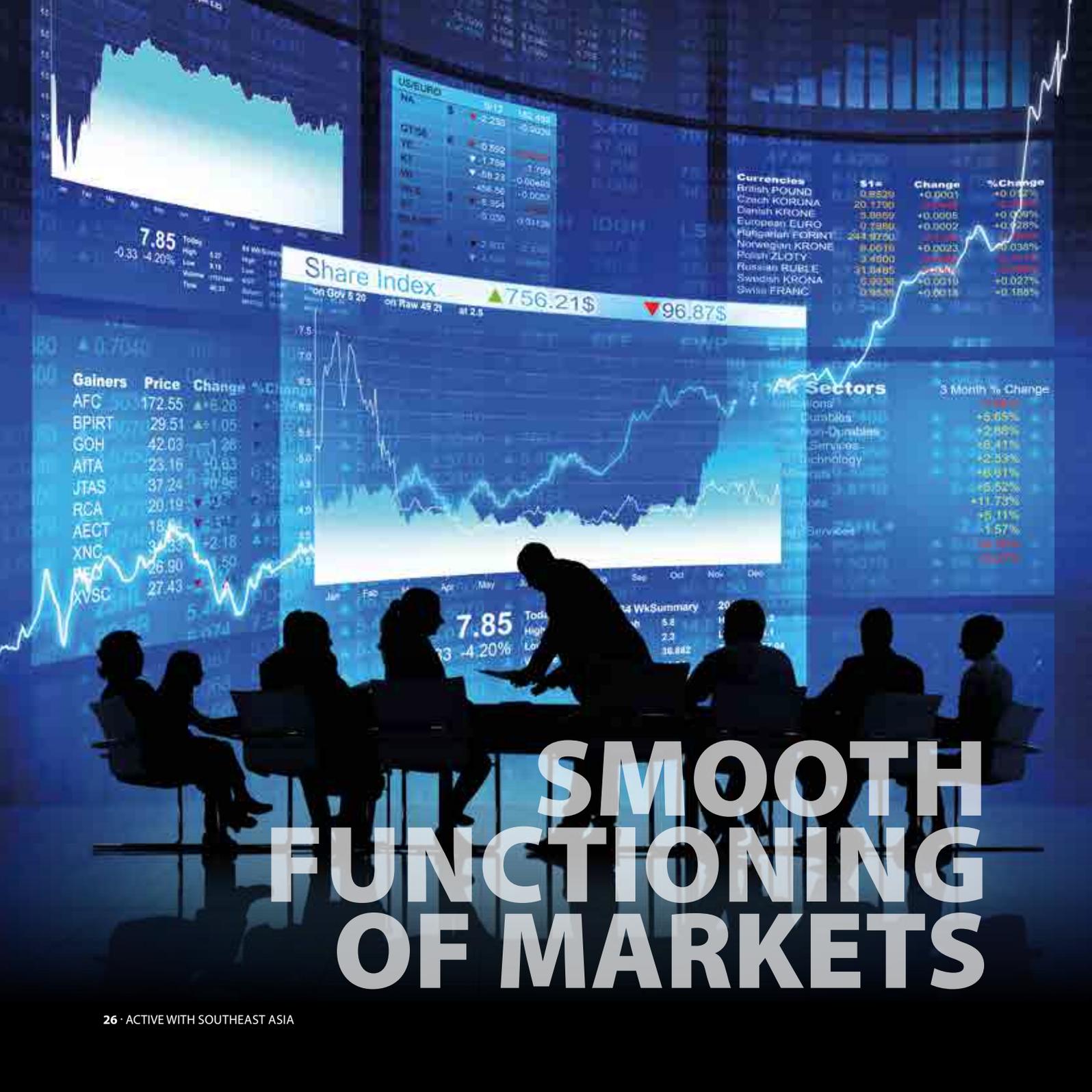
including the national accounts, income distribution, and a range of short-term economic statistics. The OECD Statistics and Data Directorate has been working on a project to strengthen data management practices in a number of countries, including the **National Institute of Statistics (NIS)** of Cambodia. Jointly with the United Nations Children's Fund (UNICEF), the Partnership in Statistics for Development in the 21st Century (PARIS21) and the UN Statistics Division (UNSD), the OECD provided technical expertise in the areas of Statistical Data and Metadata Exchange (SDMX) data modelling and processing. Others include the technical platform, the .Stat Suite, which are co-developing together with 13 other organisations under the reference open source community for official statistics, the Statistical Information System Collaboration Community (SIS-CC).

www.oecd.org/tax/tax-policy/revenue-statistics-in-asian-and-pacific-economies-26179180.htm



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USEURO		
NA	3112	182,499
DTSE	↓ -0.992	-0.0001
TE	↓ -1.269	-1.799
RE	↓ -0.223	-0.0003
WV	↓ -0.56	-0.002
WV	↓ -0.036	0.0126

Currencies	\$1=	Change	%Change
British POUND	0.8829	+0.0001	+0.01%
Czech KORUNA	20.1190		
Danish KRONE	3.6667	+0.0005	+0.01%
European EURO	0.7880	+0.0002	+0.02%
Hungarian FORINT	243.8750		
Norwegian KRONE	8.0616	+0.0023	+0.03%
Polish ZLOTY	3.4900		
Russian RUBLE	31.8405		
Swedish KRONA	0.9938	+0.0010	+0.02%
Swiss FRANC	0.9839	+0.0015	+0.15%

Share Index ▲ 756.21\$ ▼ 96.87\$
 on Oct 6 20 Oct 17 49 21 at 2.5

Gainers	Price	Change	%Change
AFC	172.55	▲ +6.28	+3.63%
BPIRT	29.51	▲ +1.05	+3.56%
GOH	42.03	▲ -1.26	-2.99%
AITA	23.16	+0.63	+2.72%
JTAS	37.24	+0.98	+2.63%
RCA	20.19	+0.57	+2.83%
AECT	18.94	+0.57	+3.01%
XNC	34.33	+2.18	+6.35%
NEO	26.90	+0.50	+1.86%
KVSC	27.43		



3 Month % Change	
Technology	+6.65%
Healthcare	+2.86%
Consumer Services	+8.41%
Financial Services	+2.53%
Energy	+8.91%
Industrials	+5.52%
Telecommunications	+11.73%
Real Estate	+5.11%
Utilities	-1.57%

SMOOTH FUNCTIONING OF MARKETS

Enhancing co-operation on international investment



Investment has been a key priority for ASEAN for many years and features prominently in the ASEAN Economic Community Blueprint 2025. At the same time, Southeast Asia has been one of the key regions for the work of the OECD on investment, especially through its Investment Policy Reviews.

The OECD has further deepened its excellent co-operation with Southeast Asia on investment through *Investment Policy Reviews* conducted in collaboration with the ASEAN Secretariat and through regional investment policy dialogue, including regular meetings of the Regional Policy Network on Investment where officials and experts from ASEAN and OECD member countries discuss investment policy reforms. OECD has conducted reviews for Viet Nam (2009), Indonesia (2010), Malaysia (2013), Myanmar (2014), Philippines (2016), Lao PDR (2017), Cambodia (2018) and a second Review of Viet Nam (2018). The second Investment Policy Reviews of Myanmar and Indonesia and a first Review of Thailand are underway and will be completed by the end of 2019 or early 2020. The OECD also published a regional IPR of Southeast Asia for the first time in 2018. Almost all Southeast Asian countries feature in the OECD FDI Regulatory Restrictiveness Index and some participate in the OECD Freedom of Investment Roundtable, through which governments discuss evolving approaches to international investment treaties.

The regional component of the OECD's investment co-operation with ASEAN effectively links strengthening national investment policy frameworks to regional investment policy development and harmonisation. Through our co-operation with Southeast Asia on investment, the OECD is increasingly well anchored in the region, not only as a global reference and standard-setter, but also as an institutional and economic partner. Our collaboration with one of the most dynamic regions of the world has also contributed to galvanising policy discussions at the OECD and integrating innovative policy practices in our latest thinking on investment.

In the framework of the OECD-wide project supported by the Government of Canada, an in-depth study is being prepared on the role of investment and investment-related policies for Southeast Asian SME participation in global value chains. The project includes enterprise surveys and case studies in partnership with other international organisations.

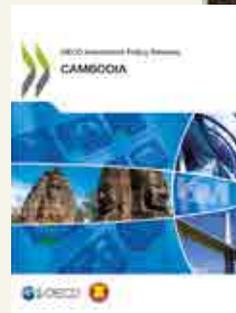
www.oecd.org/daf/inv/investment-policy/seasia.htm

www.oecd.org/daf/inv/mne/countryreviews.htm

www.oecd.org/daf/inv/mne/pfi.htm

“The OECD Investment Policy Review was the mother of investment reform in Myanmar.”

Aung Naing Oo, Director General at the Ministry of National Planning and Economic Development of Myanmar



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Promoting trade and upgrading in global value chains

Trade liberalisation has played a key role in the economic transformation of Southeast Asian countries, whose trade, investment and production are increasingly organised around global value chains.

ASEAN has seized the new opportunities offered by GVCs: participation has grown across the board, increasing employment and economic prosperity. They play an important role in achieving the “highly integrated and cohesive economy” outlined in the ASEAN Economic Community Blueprint 2025.

The OECD and Southeast Asian countries collaborate on a range of trade-related issues. The **Trade Facilitation Indicators (TFIs)** cover the full spectrum of border procedures for more than 160

countries, including all ten ASEAN member states. The **OECD Services Trade Restrictiveness Index (STRI)** database covers 44 countries in 22 services sectors, including Indonesia, and starting in 2019 for the first time also Malaysia. The **OECD-WTO Trade in Value Added (TiVA)** database currently covers 62 countries including eight ASEAN member states. The OECD will continue to help the ASEAN Secretariat in its efforts to leverage GVC participation through analysis on how SMEs integrate and how benefits can be shared more inclusively.

A 2016 study on *Using Foreign Factors to Enhance Domestic Export Performance*, analyses how ASEAN countries can leverage reforms and foreign value added to enhance their domestic export performance. Furthermore, another recently completed



⦿ Making GVCs Work for ASEAN: OECD-ERIA symposium in June 2016, Ha Noi, Viet Nam.



study aims to map how SMEs in the region are engaging in GVCs, noting that SMEs may be facing constraints to accessing imports, which limit their ability to draw benefits from more efficient sourcing. It also highlights that many SMEs engage in GVCs indirectly, underscoring the need to foster domestic linkages with larger domestic or multinational firms.

As part of the *Multi-dimensional Country Review of Thailand*, the OECD is also adding construction and architecture sectors to the STRI and will eventually include all service sectors for Thailand. In collaboration with the ASEAN Coordinating Committee on Services, the OECD is also planning to add more Southeast Asian countries to the STRI database and develop a dedicated ASEAN STRI.

The **OECD Initiative for Policy Dialogue on Global Value Chains, Production Transformation and Development** provides a platform for peer learning among OECD, emerging and developing

economies, including from Southeast Asia, to help governments transform their economies by harnessing their potential to increase productivity, spur innovation, technological upgrading and digitalisation. In November 2017, the United Nations Economic and Social Commission for Asia (UNESCAP), a member of the Advisory Board of the *Initiative*, hosted the ninth Plenary Meeting in Bangkok, Thailand. The meeting gathered stakeholders from the region, and members and partners of the *Initiative*.

www.oecd.org/trade

www.oecd.org/tad/trade-policy-notes.htm

www.oecd.org/tad/policynotes/oecd-trade-brochure.pdf

www.oecd.org/trade/facilitation

oe.cd/stri

oe.cd/gvc

oe.cd/tiva



Fostering sound competition

Encouraging a fair, sound and rules-based culture of competition contributes to increased productivity growth, innovation and overall economic growth, in addition to playing a role in reducing inequality and poverty. The OECD provides guidance on competition laws and policy, collaborating with ASEAN and ASEAN Member Countries to assist governments in the region in building effective competition frameworks.

In the context of the **2007 ASEAN Economic Blueprint**, many ASEAN countries have introduced competition law legislation over the last decade. The objective has been to create a culture

of rules-based competition for enhanced regional economic performance. To achieve these objectives, competition laws in ASEAN need to be effectively implemented and enforced by well-functioning institutions with adequate resources and skills. In order to benefit fully from well-functioning markets, Southeast Asian countries need to foster sound competition to ensure that laws and regulations are not creating barriers to competition unnecessarily and inadvertently.

The OECD enjoys a unique position on policy regarding economic competition, owing to its internationally recognised standards and guidelines, long-standing technical





expertise, and competition roundtables, which help to advance dialogue on key and emerging issues. The Organisation provides many avenues to encourage advancement of sound competition through the Competition Committee, the Global Forum on Competition, and the OECD Korea Policy Centre workshops. These opportunities promote peer-to-peer learning, international co-operation between competition authorities, and facilitate the dissemination of OECD standards and best practices. By working with the OECD, countries of Southeast Asia can also contribute to the OECD's competition knowledge, as well as the Development and revision of standards and guidelines.

As part of the implementation of the **ASEAN Competition Action Plan (2016-2025)** and the **ASEAN Economic Community Blueprint 2025**, the OECD is currently carrying out a prioritised competition assessment of laws and regulations in the logistics sector of all ten ASEAN Member States. The project, in co-operation with the ASEAN Secretariat and the competition authorities of the ASEAN Member States, will focus on five sub-sectors: freight transportation, freight forwarding small package service delivery, warehousing and value added logistics services. The assessment will be carried out based on the **OECD Competition Assessment Toolkit**. The final output is a regional study report which is expected to be finalised in 2021 and will comprise a country-by-country analysis that will map anticompetitive provisions and make recommendations on improving laws and regulations.

The project also includes an analysis of the role of State-owned enterprises (SOEs). This project component will focus on small package delivery services as this support the e-commerce sector and boost economic growth by enabling businesses in ASEAN Member States to reduce warehousing costs and implement just-in-time processes. The report that the OECD has been tasked to deliver will include policy recommendations that will assist towards achieving these goals.

In 2018, the OECD published a report on **OECD Reviews of Competition Law and Policy: Viet Nam**, following the peer review process at the 15th Global Forum of the Competition in December 2017. Under the Framework of the Thailand Country Programme, the OECD is carrying out a **Developing Competition Policy** project to support the implementation of Thailand's new Trade Competition Laws. Furthermore, the OECD has developed with the Federal Court of Australia a set of Primers on Competition Law and Policy for judges in the ASEAN Member States. They consist of a series of information sheets designed to offer practical guidance to members of the judiciary when analysing competition cases in their court.

www.oecd.org/competition



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Developing a robust financial system



Strong financial systems are essential for Southeast Asian countries to continue prospering in global markets.

The OECD promotes efficient, open, stable and sound market oriented financial systems, based on high levels of transparency, confidence and integrity. It monitors and surveys current market developments and structural changes and regularly publishes its findings.

The OECD provides policy advice and facilitates policy dialogue on financial markets, insurance, private pensions, long-term investment and financial education and financial consumer protection. For example, the **OECD-ADB Roundtable on Capital Market and Financial Reform in Asia**, established in 1999, brings together Asian and OECD country regulators, policymakers, experts, practitioners and scholars to discuss the latest developments in capital market reform in Asia. In 2018, the Roundtable discussed key issues in capital flows and capital market development in Asia, financial technology (fintech) developments and regulatory responses, and financing of green infrastructure investment. In 2018, the Roundtable discussed key issues in capital flows and capital market development in Asia, financial technology (fintech) developments and regulatory responses, and financing of green infrastructure investment. The latest Roundtable took place in February 2019 focusing on recent development in capital markets, future capital markets facing the challenge of new financial technology and responsible, viable, and lifecycle infrastructure investments.

The OECD has also been holding the **OECD Insurance and Retirement Savings Roundtable in Asia** since 2016, primarily focussing on bringing greater understanding of OECD best practices to Southeast Asian countries. The OECD Project on **Institutional Investors and Long-term Investment**, which aims to facilitate long-term investment by institutional investors in pension funds, insurance companies, and sovereign wealth funds, has also organised a number of events focusing on Southeast Asia

In addition, the OECD undertakes policy analysis and dialogue on disaster risk financing strategies for natural and man-made disasters. The **OECD Recommendation on Disaster Risk Financing Strategies** supports the development of strategies to manage the financial impacts of disasters.

The OECD also supports the Asia-Pacific Economic Co-operation (APEC) in the areas of disaster risk financing, long-term investment, and financial education and consumer protection.

www.oecd.org/finance



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Strengthening connectivity, capital investment and public-private partnerships

Infrastructure gaps in Southeast Asia hamper sustainable economic and social development and present a major challenge for deepening economic integration and connectivity within the ASEAN Economic Community. Closing these gaps through the implementation of infrastructure initiatives is essential for Southeast Asia to be competitive in regional and global markets.

The OECD Regional Policy Network (RPN) on Sustainable Infrastructure collaborates closely with the ASEAN Secretariat and ASEAN Member States, supporting the implementation of the **Master Plan for ASEAN Connectivity (MPAC) 2025**. Highlights of this co-operation include the **ASEAN Principles for Public-Private Partnership Frameworks**. Based on these

principles, the OECD conducted a pilot review of the PPP framework in the Philippines. In addition, the OECD developed a handbook on **Value for Money in PPPs within Southeast Asia**, supported by the UK's Prosperity Fund, which was presented at the RPN meeting in Bangkok in 2016, and the **Good Practice Guide on Using High Quality Transaction Advisors**, launched at fourth RPN meeting in Manila, Philippines.

The RPN meetings on Infrastructure and PPPs have provided a unique opportunity to exchange experiences and knowledge between OECD and ASEAN policy-makers and experts. The region's achievements and challenges feed into the work of the Network of Senior PPP and Infrastructure Officials, which was established to ensure that PPPs and capital investment projects



◉ The fourth Regional Policy Network Meeting on PPPs, Infrastructure and Connectivity in October 2017, Manila, Philippines.

Strengthening connectivity, capital investment and public-private partnerships



bring value for money and that potential risks are managed properly. The RPN's current work and future work will add to this body of knowledge and support OECD and partner countries that face similar challenges.

Going forward, the OECD is strongly committed to continue this collaboration to improve the sustainable investment environment of ASEAN Member States. Future co-operation on sustainable infrastructure and PPPs may include the assessment of the adequacy of infrastructure management in ASEAN countries, assisted by the framework presented in the OECD publication **Getting Infrastructure Right: a Framework for Better Governance**. The guidelines lays out key “success factors” that lead to effective planning, financing and delivery across the infrastructure spectrum, including public-private partnerships.

www.oecd.org/governance



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Improving financial literacy and inclusion

Improvements in the financial literacy and financial inclusion of individuals and small businesses are essential in Southeast Asia to increase financial well-being, support inclusive growth and support financial stability.

Southeast Asian countries are actively promoting financial education as a powerful tool for economic growth and financial stability and as a starting point for more inclusive societies. Cambodia, Indonesia, Lao PDR, Malaysia, Thailand and Viet Nam have used OECD methodology to assess financial literacy and financial inclusion in order to provide clear indications of the challenges faced by consumers and the groups in most need of support within a national strategy for financial education. Indonesia also participated in the 2018 Financial Literacy assessment within the **OECD Programme for International Students Assessment (PISA)**, and has promoted the importance of financial literacy at G20 level and within ASEAN and APEC, where financial education policies have become a policy priority. In 2018, the OECD published a Report on **Financial Inclusion and Consumer Empowerment in Southeast Asia**, which evaluates current levels of financial inclusion and financial literacy in Southeast Asia, and describes the policies and programmes developed to support financial inclusion, education and consumer protection.

The OECD co-hosts regular seminars in Southeast Asia, providing stakeholders in the region with the opportunity to learn more about OECD policy tools and hear from high-level policy-makers, academics and practitioners about new and innovative approaches designed to tackle low levels of financial literacy and inclusion. The most recent regional meeting was the **BOL-GIZ-OECD-ADBI Conference on the role of Financial Education and Consumer Protection in Supporting Financial Inclusion**, which took place in Vientiane, Lao PDR in November 2018. The OECD co-hosted a similar event with the State Bank of Viet Nam, in October 2017. Both events focused on supporting the demand side of financial inclusion policies in Cambodia, Lao PDR, Myanmar

and Viet Nam by strengthening the development of financial education and financial consumer protection frameworks.

The OECD formulates financial education recommendations through the **International Network on Financial Education (OECD/INFE)** and through its participation in the work of the G20. Established in 2008, the OECD/INFE brings together public experts from 270 public institutions and 120 economies in order to undertake analytical work and develop good practices. Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand are full members of the Network. Indonesia, Malaysia, the Philippines and Thailand have hosted meetings of the OECD/INFE and OECD Asian Roundtables on the Role of Central Banks in Financial Literacy and Inclusion.

Co-operation on financial literacy between the OECD and Southeast Asian countries also takes place in the framework of ASEAN.

www.oecd.org/finance/financial-education/financial-education.htm
www.oecd.org/finance/oecd-financial-literacy-study-find-many-adults-struggle-with-money-matters.htm



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PUBLIC AND CORPORATE GOVERNANCE

Good regulatory practice and regulatory reform

Good regulatory practice refers to the use of regulatory tools such as impact assessment, stakeholder engagement, ex-ante and ex-post evaluation to improve the quality of the regulatory environment for businesses, citizens, and society. The OECD supports the use of GRP to strengthen regulatory coherence and complementarity in the ASEAN Economic Community as well as in individual ASEAN countries.

Regional engagement with Southeast Asia has been growing through the ASEAN-OECD Good Regulatory Practice Network (GRPN). Now in its fifth year, the GRPN maintains a continuous engagement with the ASEAN Secretariat and Southeast Asian countries in developing “Efficient, Effective, Coherent and Responsive Regulations, and Good Regulatory Practice” as a key pillar for achieving a “Competitive, Innovative and Dynamic

ASEAN” (AEC Blueprint 2025). To date, the OECD has undertaken an evaluation of *Administrative Simplification in Viet Nam* (2011), a *Regulatory Review of Indonesia* (2012), a report on *Implementing Good Regulatory Practice in Malaysia* (2015), and co-hosted workshops to improve public consultation, business facilitation, and regulatory design. In 2018, the OECD published the first stocktaking of *Good Regulatory Practices to Support Small and Medium Enterprises in Southeast Asia* (2018).

The OECD engages with Southeast Asia on regulatory reform both regionally through APEC and ASEAN and bilaterally with individual ASEAN member countries. The **APEC-OECD Co-operative Initiative on Regulatory Reform** gave rise to the 2005 APEC-OECD Integrated Checklist on Regulatory Reform and subsequent country-specific work. The AEC Blueprint identifies



📍 The GRP Convention hosted by the Malaysian Government in Putrajaya in October 2018 was opened by the Deputy Prime Minister, **Dato Wan Azizah Wan Ismail**, and showcased OECD work on Behavioural Insights as well as findings from the Regulatory Policy Outlook 2018.

Good regulatory practice and regulatory reform

the OECD as a knowledge partner that assists ASEAN member countries in building capacity for regulatory reform initiatives. ASEAN countries regularly send delegates to the ASEAN-OECD GRPN and Regulatory Policy Committee meetings.

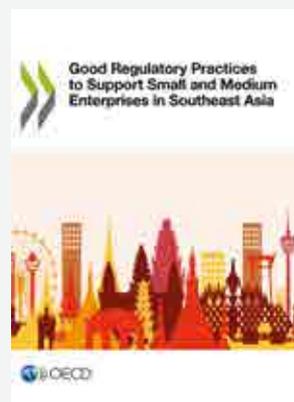
The OECD co-hosted the 2018 ASEAN-OECD GRPN meeting with the Government of Malaysia back to back with a National GRP Convention in Putrajaya on 11 October 2018. The meeting featured the Deputy Prime Minister Dato Wan Azizah Wan Ismail, who helped launch the OECD publications **Good Regulatory Practice to Support SMEs in Southeast Asia** and the **OECD Regulatory Policy Outlook 2018**. The Publication on GRP to support SMEs highlighted many commendable efforts by ASEAN governments in improving good regulatory policy planning and delivery, and serves as a diagnostic of areas of further work. The GRP Convention showcased OECD work on Behavioural Insights as well as findings from the Regulatory Policy Outlook 2018.

The 2019 ASEAN-OECD GRPN meeting will also continue to serve as an international knowledge-sharing platform for **Enhanc(ing) Policy and Regulatory Environment**, one of the five Strategic Goals of the ASEAN Strategic Action Plan for SME Development 2016-2025.

Upcoming bilateral work includes a Regulatory Reform Review of Thailand and support to the Philippines on Regulatory Impact Assessments. In 2019, the OECD will continue to work with ASEAN countries to improve the capacity of SMEs to grow and integrate into global value chains via a five-year, horizontal initiative funded by Canada.

www.oecd.org/gov/regulatory-policy

www.oecd.org/gov/regulatory-policy/grpn.htm



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Budgeting and public expenditures



Maintaining fiscal discipline, allocating resources to where they are most needed and achieving greater efficiency in government operations, all have a crucial impact on overall national economic performance.

The OECD works on the full range of budgeting and public financial management issues through reviews of country budgeting systems, comparative analysis of specific aspects of the budgeting system across countries, and maintains a comprehensive database of budgeting practices across countries. It has conducted a budget review of Timor-Leste and the result of this work was published in the *OECD Journal on Budgeting*, and a chapter on budget processes and procedures in ASEAN countries will be included in the *Government at a Glance Southeast Asia 2019* report.

The OECD convenes an annual meeting of **Senior Budget Officials from Asia – the Asian SBO**. This meeting brings together the budget directors and other senior officials from the region to share policy experiences and discuss common budgetary issues. The meeting is a unique opportunity for dialogue and interaction among colleagues. The meeting is hosted by the Bureau of the Budget of Thailand in Bangkok. The OECD will shortly undertake a Budget Review and Gender Budgeting Review of Thailand as part of the OECD Thailand Country Programme.

The OECD completed the **Budgeting Practices in Asia survey**, which includes comprehensive information on the budget institutions of Cambodia, Indonesia, the Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste and Viet Nam. The information will support benchmarking and evidence-based policy-making in countries to improve their budgeting processes.

The OECD developed a Roadmap of Budgetary Governance Reform in Timor-Leste based on a comprehensive review of its budgeting system and is engaged in extensive follow-up work.



www.oecd.org/gov/budgeting/

www.oecd.org/gov/budgeting/oecd-asianseniorebudgetofficialsnetwork.htm

www.oecd.org/gov/budgeting/oecdjournalonbudgeting.htm



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Public procurement



Employing public procurement best practices and strategies are central to achieving public sector efficiency and advancing public policy objectives.

In 2015, the OECD Council adopted a Recommendation on Public Procurement, which ensures the strategic and holistic use of public procurement. It provides a reference for modernising procurement systems and can be applied across all levels of government and state-owned enterprises. It addresses the entire procurement cycle while integrating public procurement with other elements of strategic governance such as budgeting, financial management and other forms of service delivery. The publication **SMEs in Public Procurement** is a useful complement to the Recommendation.

The OECD undertakes peer reviews of national or sector procurement systems and provides proposals for improvements. The OECD also collects useful and reliable evidence across OECD countries and beyond on the performance of public procurement operations as well as the impact of procurement on broader public policy objectives, such as sustainable green growth, development of SMEs or innovation.

The OECD also partners with several Southeast Asian countries to support their public procurement system reforms and to ensure long-term sustainable and inclusive growth as well as

trust in government. Several Southeast Asian countries such as Thailand, Indonesia and Viet Nam, regularly participate in the meetings of the **Working Party of the Leading Practitioners on Public Procurement**, which brings together senior procurement experts from OECD and G20 countries, as well as international organisations and the private sector.

www.oecd.org/gov/ethics/public-procurement.htm

www.oecd.org/governance/procurement/toolbox

www.oecd.org/publications/smes-in-public-procurement-9789264307476-en.htm



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Increasing performance in the public sector



In a context of fast-changing technological and social development, improving the performance of the Pacific sector is crucial for ensuring more inclusive and sustainable economic growth in Southeast Asia.

The first edition of **Government at a Glance South East Asia 2018**, to be published in early 2019, presents a dashboard of key indicators on how governments in Southeast Asia function. The report focuses in particular on citizen-centred public services. A joint initiative of the OECD and the ADB, the report draws on primary data on budget practices and procedures, strategic human resources management, digital government, open government and open government data, collected from all ten ASEAN member countries.

By analysing public management practices through the data collected, this publication will allow governments to deliver better and more efficient citizen-centric services, thus contributing value for money and national well-being. The indicators presented will allow policy-makers and citizens to analyse and benchmark government performance, both within Southeast Asia and, when possible, to neighbouring OECD countries by making comparisons to the OECD average. The indicators will support Southeast Asian countries in evidence-informed policy-making, peer-to-peer learning in the region and public sector reforms.

OECD will continue to build on this work by expanding the range of indicators as well as the countries covered for future editions of **Government at a Glance: South East Asia**.

www.oecd.org/gov/govataglance.htm



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Promoting open government



In a context of rapid technological and social development, ensuring openness, transparency, integrity, accountability, and stakeholder engagement in policy-making is more important than ever, in Southeast Asian countries as in the OECD. This also includes efforts to harness the benefits of digital government and open data policies for social innovation, good governance and economic growth.

In March 2015, the OECD launched the **Network on Open and Innovative Government in Southeast Asia** and subsequent meetings were held in September 2015, November 2016 and November 2018. The Network, co-chaired by Korea and Indonesia, provides a platform to discuss efforts in Southeast Asian countries to implement open, innovative and digital policies and practices, as well as to present relevant experiences from OECD member countries. The OECD also produced the **Open Government Reviews** of Myanmar (2014) and Indonesia (2016). Indonesia has participated, since 2016, in meetings of National Contact Points for the OECD Observatory of Public Sector Innovation. Regional collaboration has also been strengthened through the Asian Open Data Partnership (AODP) and the Asian Public Governance Forum organised in partnership with the Korea Policy Centre.

The OECD is committed to supporting public sector reforms inspired by the principles of transparency, integrity, accountability and stakeholder participation. To this end, the OECD conducts **Open Government and Digital Government Reviews** that provide countries with analysis and concrete recommendations on how to design and implement relevant policies and stakeholder engagement initiatives. In supporting open and digital government reforms, the OECD seeks to help countries better respond to the demands of citizens and businesses for more transparency, accountability and participation; digitalise public administrations for better public service delivery; foster sustainable and inclusive socio-economic development; and provide access to good practices and comparative data.

Through the Network, the OECD will continue to map open, innovative and digital policies and practices. The Organisation will also continue to support countries' implementation of the OECD Recommendation of the Council on Open Government and the OECD Recommendation of the Council on Digital Government Strategies. For example, a **Review on Open and Connected Government of Thailand** is planned in the framework of OECD Thailand Country Programme. The OECD will also build on the analysis provided by the 2016 report on **Open Government: Global Context and Way Forward** report and the 2018 **Open Government Data Report** to provide an overview of how countries are implementing open government practices and the challenges and opportunities they face.

www.oecd.org/gov/open-government.htm

www.oecd.org/governance/digital-government



Enhancing public sector integrity



Integrity, transparency and accountability are essential to developing trust in government for individuals, investors and institutions. Through regional exchange, peer learning and in-country assistance and based on the OECD Recommendation on Public Integrity, the OECD supports regional efforts in Southeast Asia in developing and implementing effective public integrity strategies.

Southeast Asian countries are paying increased attention to enhancing their public integrity systems. To support the regional efforts, the OECD, in partnership with the ADB, is driving the **ADB/OECD Anti-Corruption Initiative for Asia and the Pacific**. The Initiative provides a forum for peer learning to support members' national and multilateral efforts to reduce corruption and to discuss shared integrity challenges and effective ways

to address them. Thirty-one economies in the Asia-Pacific region have expressed their commitment to fight corruption by endorsing an anti-corruption action plan within the framework of the Initiative. In 2017, the ADB/OECD Initiative published ***Mutual Legal Assistance in Asia and the Pacific: Experiences in 31 Jurisdictions***, which outlines common barriers to mutual legal assistance among the member jurisdictions of the Initiative, and describes best practices used to overcome these barriers. The Steering Group of the Initiative has endorsed the new 2018-2020 Work Programme, which seeks to achieve this goal through three thematic networks: law enforcement, public integrity, and business integrity. In November 2018, the Initiative held a dedicated three-day training on preventing corruption in public procurement, and preparations are underway for the next meeting of the Initiative in November 2019.



⇒ **Dr Wissanu Krea-ngam**, Deputy Prime Minister of Thailand, at the OECD Global Anti-Corruption & Integrity Forum in March 2018, Paris, France.

Enhancing public sector integrity

Building on the **OECD Recommendation on Public Integrity**, the OECD has conducted an **Integrity Review of Thailand**, the first of its kind in the region. The OECD launched the Review in Bangkok and in Paris at the OECD Global Anti-Corruption & Integrity Forum, in March 2018, attended by Deputy Prime Minister Wissanu Krea-ngam of Thailand. With various recommendations emerging from the Review still under implementation, the Integrity Review already resulted in improved coordination on integrity policies among the

designated institutions in Thailand, including the National Anti-Corruption Commission (NACC), the Public Sector Anti-Corruption Commission (PACC), and the Office of the Civil Service Commission (OCSC), which exemplifies the whole-of-government approach on anti-corruption that Thailand is championing. Moreover, the Review gave impetus to a new set of good governance projects in the framework of the OECD Thailand Country Programme, including a second phase of the Review and a number of capacity development activities.

Both the regional exchanges and country reviews strengthen the evidence base, advancing the dialogue with other countries in the region, including Indonesia and Malaysia. They also contribute to the activities of the **OECD Working Party of Senior Public Integrity Officials (SPIO)**, which promotes the design and implementation of integrity and anti-corruption policies that support good governance, and to which both Thailand and Indonesia are invited

www.oecd.org/gov/ethics/recommendation-public-integrity.htm
www.oecd.org/gov/ethics/integrity-publications/
www.oecd.org/corruption/integrity-forum/



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Fighting transnational corruption

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www.oecd.org/gov/ethics/recommendation-public-integrity.htm
www.oecd.org/gov/ethics/integrity-publications/
www.oecd.org/corruption/integrity-forum/

Improving tax transparency and compliance

The rapid increase in the integration of Southeast Asian countries into the global economy highlights the importance of continuing and strengthening co-operation between the region and the OECD on taxation issues. Such co-operation has already helped countries to design and implement taxation and administrative measures that reflect international best practices.

The **Base Erosion and Profit Shifting (BEPS)** project aims to fix deficiencies in the current international tax system. 124 countries, including Brunei Darussalam, Indonesia, Malaysia, Singapore, Thailand and Viet Nam, participate in new BEPS Inclusive Framework. 84 countries including Indonesia, Malaysia and Singapore, have signed the **Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI)** in June 2017, which will swiftly implement a series of tax treaty measures to update the existing network of bilateral tax treaties.

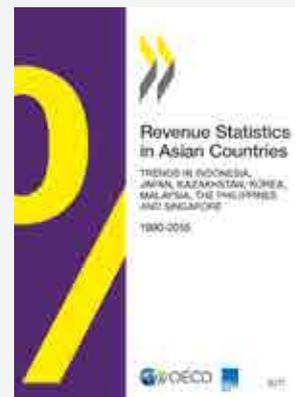
In order to help implement the BEPS package and other tax policies, OECD offers more than 20 seminars in the region through Multilateral Tax Centres in Korea and China or in collaboration with regional organisations and countries. Study Group on Asian Tax Administration and Research (SGATAR) has given OECD Permanent Observer status in 2017, appreciating the OECD's continuous engagement in the region and contribution in sharing knowledge.

OECD publishes the **Revenue Statistics in Asian Countries** series annually, and in the 2017 edition, Indonesia, Malaysia, the Philippines, Singapore and Thailand participated from the Southeast Asia region. The data provided by participants contributes in adding value to OECD as well as to the region, providing tax policy-makers with the solid building blocks of standardized, comparable revenue data that allows a comparison over time and between countries of key tax revenue indicators.

Strong engagement with Southeast Asia region will continue in the future, supported by deepened co-operation with regional organisations, including the ADB, APEC and SGATAR.

Interested jurisdictions from the region who are not yet members can also join the Global Forum and the Inclusive Framework. There are also opportunities for the OECD to extend its support for countries in the region through Global Relations Programme, BEPS Inclusive Framework Induction Programme, or Tax Inspectors Without Borders (TIWB).

www.oecd.org/tax/
www.oecd.org/tax/beps/
www.oecd.org/tax/tax-global/
www.tiwb.org/



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Raising the bar on corporate governance



Good corporate governance helps to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger economic growth and more inclusive societies in Southeast Asia.

Southeast Asian economies have embraced transparent corporate governance in their activities under the **ASEAN Capital Market Forum** to achieve effective regional capital market integration. The **ASEAN Corporate Governance Scorecard** provides country reports and assessments of the top listed companies, based on the G20/OECD Principles of Corporate Governance. Given the growing importance of the region to the world economy, efforts to reform governance practices are of global relevance. The OECD has engaged actively with the region through the **OECD-Southeast Asia Corporate Governance Initiative** since 2014. The fifth and final meeting of the Initiative was held in Yangon, Myanmar in March 2018. This marked the graduation of Cambodia,

Lao PDR, and Myanmar into the **OECD-Asian Roundtable on Corporate Governance**.

The OECD-Asian Roundtable on Corporate Governance in Kuala Lumpur, Malaysia on 7-8 November 2018 marked the release of an OECD report **Corporate Governance Frameworks in Cambodia, Lao PDR, Myanmar and Viet Nam** as well as the **2018 OECD Equity Market Review of Asia**. The **OECD Equity Market Review of Asia** includes analyses of equity market trends in Southeast Asian economies. The Principles are intended to help countries evaluate and improve their legal, institutional and regulatory framework for corporate governance and to provide guidance and suggestions for stock exchanges, investors, corporations and other parties involved in the development of good corporate governance. They are recognised by the Financial Stability Board (FSB) as one of the key standards for international financial stability. The OECD-Southeast Asia Corporate Governance Initiative and OECD-Asian Roundtable on Corporate Governance provide a platform for implementation of the Principles.



© OECD Asian Roundtable on Corporate Governance in November 2018, Kuala Lumpur, Malaysia

Raising the bar on corporate governance

Countries in the region are using the Principles in their reform efforts, including as a basis for drafting legislation, regulation, corporate governance codes, etc.

The OECD Guidelines on Corporate Governance of State-Owned Enterprises, developed based on the Principles, similarly help governments to ensure the efficient and transparent governance of SOEs. A number of countries in Asia have undertaken SOE reforms that are consistent with these recommendations, and the Philippines has directly cited the OECD instrument as a source of inspiration.

Countries in Southeast Asia are playing an increasingly more active role in the OECD Corporate Governance Committee, participating in meetings on a regular basis to share lessons learnt on key corporate governance issues. In 2018, Malaysia also accepted the invitation to become a Participant in the OECD Corporate Governance Committee.

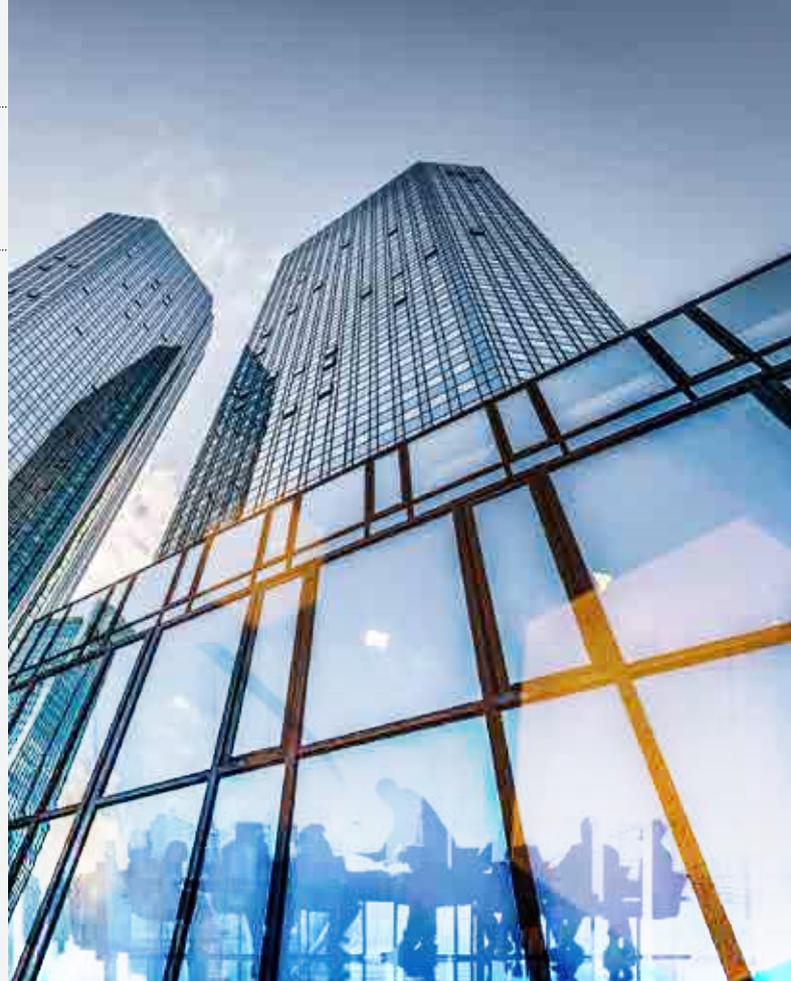
In November 2018, a Memorandum of Understanding was signed between the OECD and Myanmar to undertake a two-year work program to support corporate governance reforms, supported by the Government of Japan.

www.oecd.org/daf/ca/oecd-southeast-asia-corporate-governance.htm
www.oecd.org/corporate/oecd-equity-market-review-asia.htm

“The OECD-Southeast Asia Corporate Governance Initiative has been a valuable resource to help Myanmar authorities understand the importance of corporate governance. Myanmar thanks the OECD for the initiative and looks forward for the OECD to continue to support Myanmar in improving corporate governance.”



Daw Tin May Oo, Commissioner, Securities and Exchange Commission of Myanmar, Ministry of Planning and Finance, Myanmar



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EMPLOYMENT AND SOCIAL DEVELOPMENT

Seeking best practices of social and health policies

SOCIETY

Over the past ten years, economic growth in Asia has contributed to a reduction in poverty and fertility rates; greater prosperity has also contributed to gains in life expectancy.



The 2017 OECD Report **A Decade of Social Protection Development in Selected Asian Countries** shows that many workers in Southeast Asia are still engaged in informal employment, frequently for long hours, without reliable income and social protection coverage. Meeting citizens' growing demand for social support, extending the coverage of social protection benefits, and improving job quality while closing gender pay gaps, will be among the challenges facing the region in the future.

The report, **Society at Glance: Asia/Pacific 2019**, illustrates the broad socio-economic trends in Asia and the Pacific and shows that public social expenditure and tax revenue are limited in the region. The important challenge of extending social protection coverage to informal workers is exacerbated by changes in the nature of work due to automation, and risks of job-loss there as well as increased labour market polarisation and economic inequality. However, technological advancements can also help overcome some of the barriers to the receipt of benefit and payment of taxes and social security contributions.

The 2017 report **Strengthening Women's Entrepreneurship in ASEAN** includes an account of recent trends in labour market gaps between men and women in ASEAN countries. It discusses the progress achieved so far towards gender parity in education and provides an analysis of the remaining challenges to reduce outstanding gaps in a wide range of labour market outcomes, with a particular focus on women entrepreneurship.

The OECD/Korea Policy Centre maintains the Family Database in the Asia-Pacific Region: This database is based on the OECD

Family Database framework and offers a range of data on families, family policies and children for nine Asia-Pacific countries and economies: Australia, China, Hong Kong (China), Japan, Korea, New Zealand, Singapore, Thailand, and Viet Nam.

PENSIONS

Many Southeast Asian pensions systems are ill-prepared for the rapid ageing of their populations that will occur over the next two decades.



Pensions are a major policy issue in Southeast Asian and OECD economies alike, with low coverage being a particular issue for the former. This low coverage combined with rapidly ageing populations brings with it higher poverty risks for future generations.

The OECD analyses retirement income systems around the world, providing a reference for pension comparison across the OECD and the Asia-Pacific region. The latest edition of the Asia-specific report **Pensions at a Glance: Asia/Pacific**, published in December 2018, presents a comprehensive list of pension policy indicators that look at the design of pension systems, future pension entitlements for men and women at different earning levels and the demographic and economic context in which retirement income systems operate.

HEALTH

As the global financial and economic crisis has forced countries to seek ways to rein in public spending, health systems need to increase their efficiency and deliver better value for money.



The OECD helps Southeast Asian economies measure progress towards attaining universal health coverage and monitor health system performance by advising on the implementation of global standards to track health expenditure and by helping them collect indicators on health status, health care resources and quality of care.

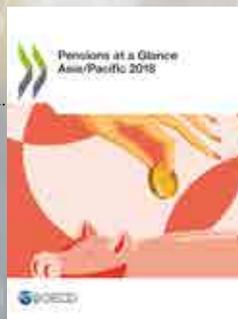
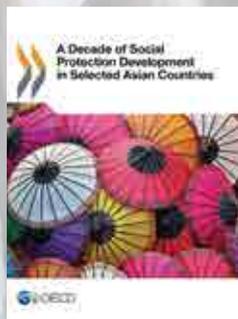
The report **Health at a Glance Asia Pacific 2018** presents a set of key indicators of health status, the determinants of health, health care resources and utilisation, health care expenditure and financing and quality of care across 27 Asia-Pacific countries and territories. It also provides dashboards comparing performance across countries, and a thematic analysis on

health inequalities. As countries strive to achieve universal health coverage, clear, relevant and well-targeted data and indicators of health outcomes and health care are essential to assist policy-makers in formulating evidence-based policies targeting health system improvements. Comparing health system performance across countries is important to identify good practices, foster dialogue on progress, and encourage knowledge sharing and mutual learning between countries. It will also help policy-makers identify priority areas for action to strive for health systems committed to people-centred care.

Upcoming publications in 2019:

Update of the Family Database in the Asia-Pacific Region (Q4 2019)

www.oecd.org/social/society-at-a-glance-asia-pacific-24089168.htm
oe.cd/decade-social-protection-asia
www.oecd.org/els/public-pensions
www.oecd.org/health



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Tackling gender inequality

Gender inequality negatively affects development outcomes across regions and in Southeast Asia. The Social Institutions and Gender Index (SIGI) looks at the gaps that legislation, social norms and practices create between women and men in terms of rights and opportunities and thus complements and improves existing measures very often measuring gender inequality in outcomes.

The SIGI is a database on discriminatory laws, social norms and practices providing the full set of gender-related Sustainable Development Goal (SDG) Indicators accompanied by in-depth country profiles for all Southeast Asian countries. The SIGI captures key results of women's discrimination across four areas: the family, secure access to productive and financial resources, civil liberties, and violence against women.

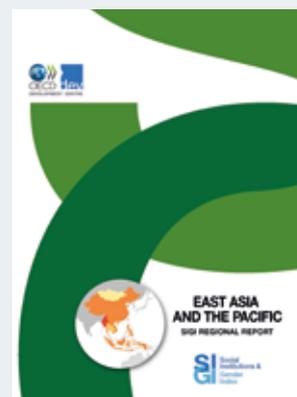
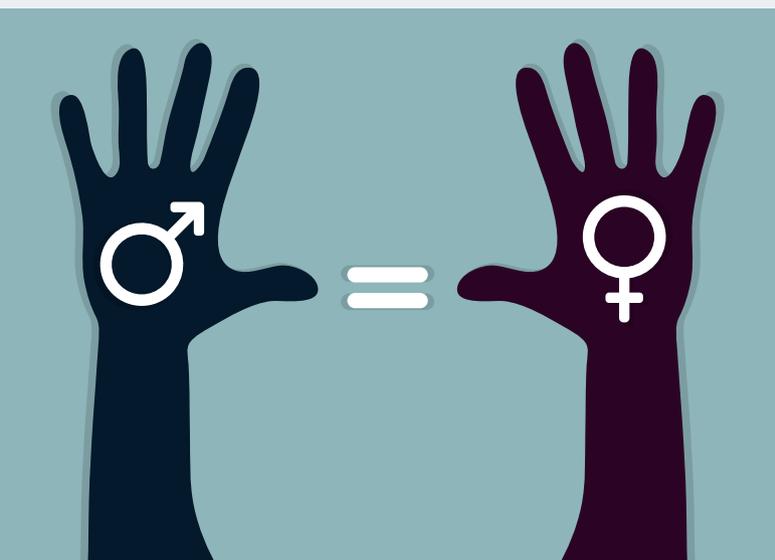
The updated SIGI 2019 emphasises key progresses and challenges since the adoption of the 2030 Agenda, and provides

policy recommendations illustrated by examples of good practices. The results of the SIGI 2019 shows that clear progress has been made with political commitments to eliminate gender inequality. Based on the previous edition of the SIGI in 2014, regional editions including on East Asia and the Pacific have been launched in 2016 by expanding its comparable analysis towards a fast growing region with enormous development potential. The next regional report for Asia will be launched in 2019.

Going forward the OECD Development Centre will continue to measure discriminatory social norms in Southeast Asia and beyond as well as increasingly using the results for informed policy dialogues with national and regional stakeholders.

www.genderindex.org/

[www.oecd.org/dev/development-gender/
theoecdsocialinstitutionsandgenderindex.htm](http://www.oecd.org/dev/development-gender/theoecdsocialinstitutionsandgenderindex.htm)



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Social cohesion



The OECD Development Centre is actively engaged in the Southeast Asia region to support national government build societies that are more cohesive. Specific attention is devoted to the role of youth inclusion, social protection and gender equality.

The OECD Development Centre has produced the *Youth Well-being Policy Reviews for Cambodia and Viet Nam*, as a way to contribute to the on-going policy dialogue on youth inclusion in these countries and to support the formulation of well-informed public interventions. The reviews were prepared in co-operation with the Ministry of Education, Youth and Sport (MoEYS) and the Cambodia Development Resource Institute (CDRI) in Cambodia, and with the Ministry of Home Affairs (MoHA), the Centre for Analysis and Forecasting of the Vietnamese Academy of Social Sciences (CAF/VASS) and the Institute of Labour Science and Social Affairs (ILSSA) in Viet Nam. At the request of the Government, the Centre is also engaged in the development of a Social Protection System Review for Cambodia and Indonesia. A regional report on gender-based discrimination in social institutions was produced and disseminated in the region.

The Reviews assess the situation of youth using a multidimensional approach. Various dimensions of well-being are measured to capture diverse facets of youth livelihood, including employment, education, health and civic participation. The reviews apply an analytical framework based on the OECD report, Evidence-based Policy-making for Youth Well-being: A Toolkit, which includes step-by-step modules to carry out a youth well-being diagnosis and provides analytical tools and policy guidance to countries that are developing, implementing or updating their youth policies. The findings constitute technical inputs to the on-going discussions on Youth Development Index in both countries. The **Social Protection System Review** in Cambodia and Indonesia will in turn help those countries identify policy options that could improve the coherence of their social protection system.

Through research and policy work, often undertaken in collaboration with national research institutions, the OECD Development Centre will deepen its policy dialogue with governments from the region on key social issues.

www.oecd.org/dev/inclusivesocietiesanddevelopment/social-cohesion.htm

www.oecd.org/dev/inclusivesocietiesanddevelopment/youth-inclusion-project.htm



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Supporting SME development and entrepreneurship

Governments in Southeast Asia recognise that better policies to promote SME and entrepreneurship development can help to foster inclusiveness and higher rates of economic growth. The OECD has a long tradition of working to enhance the business and policy environment for SMEs in ASEAN, including in partnership with the ASEAN Secretariat.

MSMEs play an important role in Southeast Asia, providing employment to over 70% of its population and taking an active role in the global value chains. Yet in many countries SMEs are significantly less productive than larger enterprises; tending to demonstrate lower capacity to innovate and to absorb new

technologies. At an aggregate level, this can constitute a structural impediment to sustainable and inclusive growth, and thus the OECD pays particular attention to enhancing SME productivity in ASEAN, including by maximising the benefits of digitalisation.

The OECD organises its Regional Policy Network (RPN) on SMEs twice a year, which provides a platform for the exchange of good practices in the area of SME development. This takes place on the sidelines of the semi-annual Co-ordinating Committee for MSME Development (ACCMSME), thus seeking to support the Community's regional integration processes. The platform also serves as an important bridge between policymakers in ASEAN



📍 Launch of the *ASEAN SME Policy Index* in August 2018 at the annual ASEAN Economic Ministers' meeting in Singapore.

and OECD countries, and thereby strives to link its discussions to those taking place in the OECD Working Party on SMEs and Entrepreneurship (WPSMEE). Previous RPN meetings have covered topics ranging from digitalisation to integration into GVCs to enhanced productivity, and the last such meeting – its 10th iteration – took place in November 2018 in Nay Pyi Taw, Myanmar.

In August 2018, the **SME Policy Index: ASEAN 2018 was launched** on the sidelines of the 50th ASEAN Economic Ministers' Meeting in Singapore. This provides policymakers in ASEAN with an important tool to benchmark their SME development policies with other Member States, thus serving to create a more level playing field for further regional economic integration. This report was developed in collaboration with the ASEAN Secretariat and the Economic Research Institute for ASEAN and East Asia (ERIA), and is currently being rolled out in each ASEAN country. A comprehensive study of SME and entrepreneurship at the national and sub-national levels has also been conducted in Indonesia. The SME and Entrepreneurship Policy Review of Indonesia 2018 was launched in Bali in October 2018 by the Minister of SMEs and Co-operatives of Indonesia. It is part of a peer-reviewed series of reports, carried out for the OECD WPSMEE. Its overarching objective is to improve the design, implementation and effectiveness of national SME and entrepreneurship policies.

The OECD's annual flagship report **Financing SMEs and Entrepreneurs: An OECD Scoreboard** also now features several countries from Southeast Asia. The report provides a comprehensive framework for monitoring SMEs' and entrepreneurs' access to finance over time, based on core indicators on debt, equity, asset-based finance and framework conditions, complemented by an overview of policy measures to ease SMEs' access to finance. Thailand and Malaysia currently participate in this exercise, and Indonesia will be covered for the first time in the 2019 edition of the report. The OECD encourages other ASEAN countries to join the Scoreboard.

The OECD has also collaborated with the ACCMSME and is currently developing reports focused on high-growth enterprises, global value chains (GVCs) and SMEs, SME productivity, and digital economy and SMEs. The OECD and the ACCMSME have also organised a number of policy dialogues and capacity building activities on these subjects.

www.oecd.org/cfe/smes

www.oecd.org/cfe

www.oecd.org/southeast-asia/regional-programme/networks/sme-network.htm



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Promoting effective consumer policy

More than ever, active and empowered consumers are playing a role in driving innovation, productivity and competition. With an expected doubling of the number of ASEAN households that are part of the “consuming class” over the next 15 years, positioning consumers to better deal with global markets and technological change is a key challenge for Southeast Asian economies.

The OECD helps governments design effective consumer policies to support the development of efficient, transparent and fair global markets for consumers. A **2010 Consumer Policy Toolkit** has been taken up by many governments to

address specific consumer issues, and the lessons learned have been codified in the 2014 OECD Council Recommendation on Consumer Policy Decision Making. In the field of e-commerce, the **2016 update of the OECD Guidelines for Consumer Protection in the Context of Electronic Commerce** paid particular attention to issues concerning mobile and online payments, digital content products, online product safety, and participative e-commerce. This is of strong relevance to Southeast Asian economies, particularly given forecasts that had suggested the Asia and Oceania region would experience the fastest growth in business-to-consumer (B2C) e-commerce in the 5 years to 2018. Then OECD **GlobalRecalls** portal offers a





good opportunity to work more closely with Southeast Asian stakeholders, particularly to incorporate recalls data from the region in the OECD database. Over the course of 2019, the OECD will hold a series of online workshops with interested parties to provide technical information and facilitate further information sharing on this important consumer product safety issue worldwide. Complementing this work, the OECD *GlobalRecalls* online platform, launched in 2012, continues to help improve stakeholder awareness about product recalls worldwide, and, thereby, enhance product safety enforcement co-operation.

Enhancing engagement with Partner countries is of keen interest to the OECD Committee on Consumer Policy. Closer contact with Southeast Asian countries has been established through participation in the Asia Consumer Policy Forum organised by Korea, as well as in the ASEAN's first and second international

consumer protection conferences, held respectively in 2014, in Hanoi, and 2015, in Bangkok. Both the revised E-commerce Recommendation and *GlobalRecalls* portal were discussed at a joint OECD/ASEAN workshop on e-commerce held in Cambodia in May 2016 with the ASEAN's Committee on Consumer Protection (ACCP). At the meeting, ASEAN members expressed interest in contributing to the portal and further exchanges with the OECD on the key consumer protection issues in e-commerce that may be taken into account in the development and implementation of the ASEAN's e-commerce work plan. Efforts are currently being made to link the ASEAN Product Recall Portal with the OECD *GlobalRecalls* Portal.

www.oecd.org/sti/consumer-policy

www.oecd.org/sti/consumer/consumer-product-safety.htm
globalrecalls.oecd.org



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THE REPORTS



Fostering skills through education and training



Investment in education and training helps drive economic growth, alleviate poverty and enhance social cohesion. As Southeast Asia moves towards greater regional integration, a strong skills base is needed for countries to remain competitive and achieve sustainable growth.

The Southeast Asian region has increased participation in the OECD's triennial **Programme for International Student Assessment (PISA)**. In 2018, seven Southeast Asian countries will participate: Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam. Cambodia and Myanmar will participate in the 2021 edition of PISA, bringing the total of ASEAN representation in PISA to nine out of ten countries.

Building on the PISA experience, Cambodia is participating in PISA for Development, which enhances the relevance of the PISA survey to the contexts of middle- and low-income

countries and provides opportunities for peer-to-peer learning. Cambodia's PISA-D national report was launched in 2018.

The **Teaching and Learning International Survey (TALIS)** examines the working conditions and attitudes of teachers and school leaders to inform policies for better teaching. Singapore and Viet Nam participated in TALIS 2018 and the results will be launched in 2019.

Singapore and Indonesia (Jakarta) participated in the second round (2012-2016) of the OECD's **Survey of Adult Skills (PIAAC)**, which measures the foundational skills of literacy, numeracy, and problem solving in the adult population.

Viet Nam and Singapore have been involved in the **Future of Education & Skills: The Education 2030 Framework** – a new initiative that helps countries design and develop curricula to meet the needs of the 21st century.



Under the Thailand Country Programme, a review on **Vocational Education and Training (VET)** and capacity building events, including a series of workshops to bolster Thailand's education reform efforts, will be conducted. The OECD conducted the first of a series of three workshops in January, which aimed to support Thailand in modernising its curriculum and bolstering its reform efforts, with a specific focus on curriculum design.

Thailand's Ministry of Education hosted a conference in November 2018 for all ASEAN countries to draw insights from PISA on raising learning outcomes and to discuss the region's educational achievements, current challenges and policies for the future.

Senior officials from the education and labour ministries of ASEAN countries are active in the **OECD's SEARP Education and Skills Network**, which aims to foster knowledge-exchange in support of national growth and regional integration. The 2018, annual network meeting took place from 21-22 November 2018 in Vientiane, Lao PDR focusing on building skills and facilitating employment in rural areas of Southeast Asia. The meeting was hosted by the Ministry of Education and Sport, Lao PDR and organised in co-operation with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

In 2017, OECD published the *Reviews on Local Job Creation: Employment and Skills Strategies in the Philippines*. This joint OECD-ADB project was organised with the Department of Labour and Employment Philippines to look at regional disparities in the Philippines and how cities in the Philippines could better link people to quality jobs, skills development, and new economic development opportunities. It also highlights best practice examples from Manila, Davao, and Cebu to provide

youth with skills development opportunities in partnership with local firms in the Philippines.

In 2018, the OECD published a working paper on the role of technical and vocational education and training (TVET) in fostering inclusive growth at the local level in Southeast Asia. This paper highlights programme examples from the region to illustrate how countries have used TVET to improve economic and social outcomes.

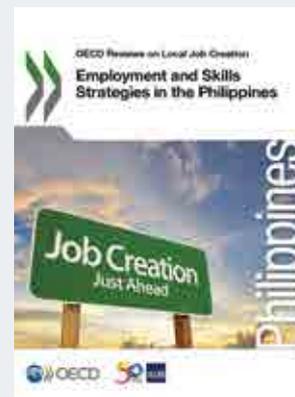
The **OECD Review on Local Job Creation in Indonesia** is being conducted in partnership with the Asian Development Bank and the Ministry of Manpower, Indonesia. The project will look at regional employment and skills disparities across Indonesian provinces with the goal of providing recommendations about how provinces can better quality jobs and skills training opportunities. A report will be published in 2019.

www.oecd.org/pisa/

www.oecd.org/education/talis/

www.oecd.org/skills/piaac/

www.oecd.org/cfe/leed/employmentessa.htm



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Managing international migration



Demographic change and structural shifts in the regional economies create gaps and mismatches, which are increasingly addressed through intraregional labour migration. As dependence on labour migration increases, so do the policy implications and the challenges in effective management.

The OECD supports the efforts of Southeast Asia countries in the better management of labour migration by providing up-to-date information on migration trends and policy developments.

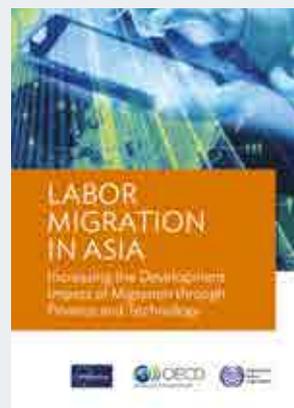
Since 2011, the OECD, the Asian Development Bank Institute (ADBI) and ILO have jointly organised an Annual Roundtable on Labour Migration, which brings together policymakers from about 20 Asian countries, including all Southeast Asian countries, and delegates from OECD countries. This constitutes a platform for exchange on the management of labour migration in Asia and fosters a better understanding of the dynamics and challenges of international migration between OECD and Southeast Asian countries. In 2017, the meeting was organised in Manila at the ADBI headquarters and concentrated on how finance and technology can increase the positive

impact of migration on home countries. In 2018, the Roundtable “Building partnerships for effectively managing labour migration: lessons from Asian countries” was held in Seoul. The 2019 event will be held in Tokyo.

The latest joint OECD, ADBI and ILO report, **Labour Migration in Asia: Increasing the Development Impact of Migration through Finance and Technology Safeguarding the Rights of Asian Migrant Workers from Home to the Workplace**, was published in 2018. In 2015, the OECD also partnered with the Agence Française de Développement (AFD) to produce the second edition of **Connecting with Emigrants: A Global Profile of Diasporas**, which featured detailed information on emigrant populations originating from Southeast Asia that are currently living in other countries in the region or the rest of the world.

The OECD provides the only comparative publication on labour migration flows in Asia, situating Southeast Asia in terms of its migration within the region, to OECD countries and to other destinations. The OECD is advancing its regional monitoring in Southeast Asia.

www.oecd.org/migration



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INDUSTRY AND INNOVATION

Building a knowledge economy



Innovation provides the foundation for new businesses, new jobs and productivity growth and is an important driver of economic growth and development. The OECD has been engaged with Southeast Asian economies for some time, offering evidence-based policy advice on the contribution of science, technology and innovation to wellbeing and economic growth in the region.

The OECD has provided Southeast Asian economies with advice on innovation policy, through in-depth reviews of innovation policy as well as work on national intellectual property (IP) systems. The 2016 OECD's **Review of Innovation Policy for Malaysia** provided a comprehensive assessment of Malaysia's national innovation system, offering concrete recommendations on policies to boost businesses' innovation capabilities, enhance higher education institutions' contributions to research and innovation, and modernise public research institutions. Earlier reviews included an in-depth **Review of Innovation Policy in Viet Nam**, as well as a regional review of six Southeast Asian economies. The OECD has also developed a framework that discusses how IP systems can best serve development and conducted country reviews of Indonesia and Malaysia to provide specific policy recommendations for these economies' IP systems. Aligned with the OECD's flagship publication **OECD Science, Technology and Innovation Outlook**, the STIP Compass database provides dedicated country dashboards for Indonesia, Malaysia and Thailand, setting out the latest policy trends in the areas of science, technology and innovation.

Southeast Asian economies are ever more integrated in global innovation systems and their engagement in OECD work brings many mutually beneficial insights into good practice policies for seizing the opportunities of science, technology and innovation. The adherence in 2015 of Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Thailand and Viet Nam to the OECD's Daejeon Declaration on

STI Policies for the Global and Digital Age was a clear sign of the shared interest in this critical policy area.

The OECD's co-operation with Southeast Asian countries on these themes will intensify, including through the Canada-OECD Project for ASEAN SMEs (COPAS), which is analysing the importance of boosting innovation and technology uptake for enhancing SMEs productivity and competitiveness in Southeast Asia. In addition, the OECD is working with Thailand to develop a review of their bio economy, as part of the national innovation strategy, which due to the high-tech nature of this sector will also have significant implications for Thai policy-makers in fields of science and technology.

www.oecd.org/sti/outlook/e-outlook

www.oecd.org/sti/inno/knowledge-and-innovation-for-inclusive-development.htm
oe.cd/ip-studies



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Developing first-class shipbuilding and steelmaking capacity



Economies in Southeast Asia are experiencing rapid growth in their shipbuilding and steel industries, although globally these sectors are suffering from significant overcapacity and structural adjustment challenges. Production and investment are booming in the shipbuilding industries of Indonesia, Malaysia, the Philippines and Viet Nam, while local steel producers in the Southeast Asian region are investing heavily in new steelmaking capacity in anticipation of continued demand growth over the long term.

The OECD Council Working Party on Shipbuilding (WP6) and the Steel Committee work to build transparency in markets and consider policy developments affecting these two sectors. Participation by Southeast Asian countries is increasing, with Malaysia, the Philippines and Viet Nam taking part in WP6 meetings and sharing information on their domestic shipbuilding industries. The OECD's participation in the Asia

Europe Meeting (ASEM) conference **Green Shipping, Blue Business. Moving Forward Together** in Singapore in April 2018 further enhanced links with relevant stakeholders. The OECD Steel Committee benefits from Malaysia's role as Participant in the Committee, and has extended invitations to Southeast Asian economies such as Indonesia, the Philippines, Thailand and Viet Nam for some meetings, in light of the growth of steel activity in the region.

The OECD has for decades provided a unique platform for governments to discuss global challenges in the shipbuilding and steel industries and to consider political solutions to these issues. In view of the growing importance of Southeast Asian economies in global ship and steel production, the WP6 and the Steel Committee are working to further involve these economies in these policy discussions. Southeast Asian economies bring important perspectives about their sectors, and can benefit from the experiences and best practices shared by OECD members.

The OECD will continue to enhance its engagement with Southeast Asian economies on shipbuilding and steel issues, including via the OECD Steel Market Developments paper series and the OECD Steelmaking Capacity Portal, which provide access to a range of analyses and data, including steel industry trends in Indonesia, Malaysia, the Philippines, Thailand, Viet Nam and other Southeast Asian economies. Southeast Asian economies are also involved in discussions to explore a possible shipbuilding instrument that would aim to establish normal competitive conditions in the global shipbuilding industry.

www.oecd.org/sti/ind/shipbuilding.htm

www.oecd.org/sti/steel



Enhancing chemical safety



The OECD supports countries' efforts to protect their citizens' health and the environment by improving chemical safety, making chemical control policies more transparent and efficient, and preventing unnecessary distortions in the trade of chemicals and chemical products.

Several Southeast Asian countries are involved in the OECD system of **Mutual Acceptance of Data (MAD)** in the Assessment of Chemicals: Malaysia and Singapore, as full adherents, Thailand as a provisional adherent and Indonesia exploring possible adherence. In addition, Thailand contributes actively to the OECD's programme on nanomaterials, while Indonesia, the Philippines, and Viet Nam take an active role in the OECD's work on the harmonisation of regulatory oversight in biotechnology and food safety.

MAD is a multilateral agreement that allows the results of nonclinical safety tests on chemicals and chemical products to be shared across adhering countries. Full adherents to this system are

ensured that safety data developed in their laboratories following OECD standards is acceptable for registration or notification of chemicals and chemical products in other MAD adhering countries. This reduces potential barriers to trade in chemical products between countries. In addition, this create employment opportunities for facilities, which test chemical substances. Through their participation in the OECD's work on biotechnology and nanotechnology, countries are able to reduce health- and environment-related risks to these emerging technologies.

The OECD will continue to support Thailand in the process of becoming a full adherent to the OECD MAD system. The OECD also seeks to deepen its co-operation with other Southeast Asian countries on nanomaterials and biotechnology safety assessments through their active enrolment in developing risk/safety assessment methods, such as for genetically modified crops grown in tropical climates.

www.oecd.org/ehs/mad



Boosting tourism



Tourism is an important economic driver in Southeast Asia. Information on trends and active tourism policies are essential for the region to grow their tourism industry. The OECD is working with ASEAN countries to support this need.

For many countries in Southeast Asia, tourism plays an important role in promoting economic growth. The pace of tourism growth in emerging economies has surpassed that in advanced economies in recent years, with the Asia Pacific region being a major driver. In the Philippines, for example, tourism contributed 8.6% to GDP in 2016, a rise of 4.9% compared to the previous year, and accounted for approximately 12.8% of total employment and 7% of total exports. While in Indonesia, tourists arrivals increased by nearly 17% to 14 million in 2017, generating international tourism receipts of USD 14.1 billion, up 12% from the previous year.

The **2018 OECD Economic Survey of Indonesia** included a chapter on tourism's potential as a driver for sustainable regional development.

Active tourism policies are required in Southeast Asia to leverage the growth and development potential in an inclusive and sustainable manner. The OECD Tourism Committee is a unique forum for multilateral co-operation, which aims to strengthen the role of public policy and support the sustainable economic growth of tourism through multidisciplinary action.



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The OECD's flagship tourism publication **OECD Tourism Trends and Policies 2018** analyses tourism performance and policy trends across 49 OECD countries and partner economies, including all OECD members and emerging tourism economies such as the Philippines. In 2018, thematic chapters explore how understanding the potential impacts of megatrends can better shape the future of tourism, and the need for a shift towards investment and financing for sustainable tourism growth.

www.oecd.org/industry/tourism



Supporting a digital economy



The digital economy offers tremendous opportunities for growth and wellbeing for Southeast Asia. Enhancing access to and participation in the digital economy, particularly for women and girls, maximising the contribution of digital innovations to productivity and economic growth, job creation and well-being, and building trust and resiliency for networks and users are all essential to ensure that Southeast Asian countries reap maximum benefits from the digital transformation.

OECD work on digital economy issues is of strong relevance to Southeast Asian economies as they face the common challenges of boosting access to and usage of digital technologies, building skills for the digital economy, bridging the digital gender divide, and dealing with the structural changes brought by the digital transformation. In 2016, Indonesia and Malaysia participated

in the **OECD's Ministerial Meeting on the Digital Economy**, in Cancun (Mexico), joining the signatories to the Ministerial Declaration that provided a forward-looking roadmap for understanding and making the most of the opportunities of the digital economy. Singapore and Thailand become Participants in the **Committee on Digital Economy Policy**, which coordinates the OECD's Going Digital project that aims to provide whole-of-government policy solutions to governments seeking to harness digital transformation for growth and well-being.

In Southeast Asia, the uptake of communication technologies has grown apace and the rapid diffusion of mobile broadband, in particular, is enabling more people to use digitally based services in their daily lives. Understanding more about the digital transformation in the region and the innovations it is spurring, helps to broaden the evidence base at the OECD and brings new insights into the opportunities and challenges faced by individuals, firms and governments as they adopt digital technologies. This contributes to the goal of achieving a more inclusive digital transformation.

The OECD is drawing on the insights of its Going Digital project to examine the opportunities related to the access and use of digital services by small- and medium-sized enterprise (SMEs) in Southeast Asia, identify good practices and suggest policies to foster an enabling environment that allows the digital transformation to flourish. The project – **“SEA Going Digital: Connecting SMEs”** – is part of the Canada-OECD Project for ASEAN SMEs (COPAS) and has benefitted from a fact-finding mission to the region in March 2018, an OECD-UNESCAP policy dialogue in Bangkok in November 2018, and discussions in the context of ASEAN meetings. A final report will be available in 2019.

www.oecd.org/going-digital
www.oecd.org/internet/ieconomy/
www.oecd.org/internet/broadband/





ENVIRONMENT AND ENERGY

Towards a cleaner and healthier environment



As one of the most dynamic areas of the global economy, Southeast Asia has seen remarkable development over the past few decades. The depletion of natural resources resulting from this rapid economic development, as well as pollution and climate change more generally, pose serious environmental challenges for the region.

The OECD has recently strengthened its co-operation with Indonesia on environment-related projects. From 2017-2019 the OECD is conducting a **Green Growth Policy Review of Indonesia**. The review assesses the main trends in Indonesia's environmental quality and resource productivity, and the environmental quality of life of its citizens, based on key environmental indicators on air, water, energy, biodiversity, land use, waste, resource use and efficiency, climate and health. It also reviews how green growth aspects have been integrated into development planning processes, fiscal policy and infrastructure investment and assesses policies in Indonesia's land-use sector highlighting the interlinkages with the climate change and biodiversity/ecosystems related challenges. In 2017, Indonesia agreed to undertake a peer review of inefficient fossil fuel subsidies under the G20, chaired by the OECD.

The OECD helps countries to design environmental policies that are both economically efficient and environmentally effective. The OECD's Environment Policy Committee (EPOC) oversees work on resource management, climate change, policy tools and evaluation, environment and development, as well as country reviews. Indonesia has been invited to EPOC's meetings since 2008, and Indonesian policy-makers and OECD experts have had the opportunity to benefit mutually from each other's policy expertise. Co-operation with the Southeast Asian region more widely has been achieved through the **OECD Global Forum on Environment (GFENV)**, where several Southeast Asian countries have shared their experiences and learned from similar environmental challenges in a wide range of developed and developing countries.

The OECD continues to strengthen its ties with Indonesia and other Southeast Asian countries. Under the OECD water programme Southeast Asian countries are invited to adhere to OECD's Council Recommendation on Water, which provides a coherent guidance for countries to implement water policy reforms.

www.oecd.org/env/epoc.htm

www.oecd.org/environment/gfenv.htm

oe.cd/pine





Conservation and sustainable use of biodiversity and ecosystems

Biodiversity is fundamental to sustaining life, providing critical ecosystems, such as nutrient cycling and climate regulation. These services are essential to support human well-being and economic growth. Yet, despite its significance, biodiversity is being lost at an accelerating rate in parts of the Southeast Asian region.

Mainstreaming Biodiversity for Sustainable Development, draws on experiences and insights from 16 predominantly megadiverse countries, including Myanmar, the Philippines and Viet Nam, to examine how biodiversity is being, and can be better, mainstreamed in: national development plans and other strategies, institutional co-ordination and national budgets; the agriculture, forestry and fisheries sectors; development co-operation; and monitoring and evaluation. A 2017 publication on **Marine Protected Areas: Economics, Management and Effective Policy Mixes** examines the values of marine ecosystems and how marine protected areas can be more effectively designed and managed. This work, which draws upon insights from Indonesia, analyses the policy mixes that need to be in place to ensure the conservation and sustainable use of the marine environment. Indonesia's reform of pesticide subsidies as well as the Philippine's introduction of an effluent water tax were highlighted in the 2017 publication on **The Political Economy of Biodiversity Policy Reform**.

As biodiversity loss is a global environmental challenge, the inclusion of Southeast Asian countries in OECD biodiversity-related analysis ensures greater representativeness of the work, beyond that of only OECD countries. Southeast Asian countries, many of which are classified as megadiverse, benefit from OECD policy analysis, which focuses on the economic valuation of biodiversity and the use of economic instruments and other policy incentives to promote the conservation and sustainable use of biodiversity and associated ecosystem services. This work also supports the UN Convention on Biological Diversity.

The OECD will continue to incorporate analyses of biodiversity policies in the Southeast Asian region into our reports, and could include Southeast Asian countries as case studies. The OECD could work with the region to include them in OECD's Policy Instruments for the Environment (PINE) database, which currently provides quantitative and qualitative data on biodiversity-relevant economic policy instruments across 80 countries. This would help countries to assess how they are progressing on biodiversity policy.

Furthermore, the OECD, in collaboration with Thailand's National Science Technology and Innovation Policy Office, is undertaking a project to enhance science, technology and innovation policies, as part of the OECD Thailand Country Programme. The project will assist Thailand in developing Bio-Economy strategies and policies and enhancing capacity of Thailand's policy-makers.

www.oecd.org/env/biodiversity



Combating climate change

Certain Southeast Asian countries face the combined challenges of securing stable economic growth and sustainable development whilst reducing greenhouse gas emissions and lowering their vulnerability to the impacts of climate change.

Many Southeast Asian countries, including Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam have participated in the **OECD's Global Forum on Environment** events and climate change related seminars. Recent work from the OECD/IEA Climate Change Expert Group (CCXG) has addressed topics of importance to Southeast Asian countries, including the design of the 2015 Paris Agreement, the effectiveness of international climate finance and improving the transparency of climate finance as well as of mitigation efforts.

The OECD has published or is working on several other analyses relevant to Southeast Asia. For example, **Financing Climate**

Futures: Rethinking Infrastructure, developed by the OECD in partnership with the UN Environment Programme and the World Bank, identifies six action areas and 20 key actions that governments can take to move from an incremental to a transformative approach to the low-emission transition. Other policy guidance and reports of particular relevance include **Policy Guidance for Investment in Clean Energy Infrastructure, Financial Protection and Climate Change Adaptation**, and **Innovative Approaches to Building Resilient Coastal Infrastructure**.

Ongoing OECD work on climate, land-use, ecosystems and food is looking at policy alignment in this nexus, and is using examples from Indonesia. A forthcoming report **Climate change mitigation through a well-being lens**, will outline ways to increase synergies and avoid or limit trade-offs between climate action and wider well-being goals.





The OECD climate change work focusses on how countries can move to a low-emissions and climate resilient pathway, and how to improve the effectiveness of the global climate regime. Countries of the Southeast Asian region have benefitted from this work through the analytical inputs by the CCXG, which supports international climate change negotiations.

OECD's report *Investing in Climate, Investing in Growth*, launched under the German G20 Presidency in 2017, assesses how G20 governments can generate inclusive economic growth in the short term, while making progress towards climate goals to secure sustainable long-term growth.

A follow up project launched in 2018, *Financing Climate Futures: Rethinking Infrastructure* aims to help countries make financial flows consistent with a pathway towards low emissions and climate-resilient development. The report identifies 6 key

action areas and 20 specific actions in order to bring about transformative rather than just incremental change. The OECD is looking forward to communicate the recommendations to Southeast Asian countries and support their implementation.

www.oecd.org/environment/cc/climate-futures/

www.oecd.org/env/cc

www.oecd.org/env/cc/adaptation.htm

www.oecd.org/env/cc/financing.htm

www.oecd.org/env/cc/ccxg.htm

www.oecd.org/daf/inv/mne/green.htm

www.oecd.org/daf/inv/investment-policy/clean-energy-infrastructure.htm



Improving water management

The OECD Water Programme promotes the design and implementation of integrated water policies that contribute to green growth and better health. Better water management is needed in Southeast Asia to ensure that there is enough good quality water for all.

The OECD is continuing its strong commitment to provide guidance on improving water policies through its work on economic and governance issues. Working with a multidisciplinary team drawn from across the organisation, the OECD provides a forum for the exchange of country experiences and the identification of good practice, and helps to improve the economic and governance information base for meeting the water challenge.

The OECD work on water is currently focused on managing water for growth (protecting against water-related risks, allocating water where it is scarce; the benefit of investment in water infrastructures), financing water-related investments, and water governance. In the coming years, it will address current and emerging policy priorities around these issues, covering urban water management (investment and finance; stakeholder engagement), agriculture water (managing droughts, floods, and groundwater for agriculture), and the development of indicators of good water governance (through the OECD Water Governance Initiative). In a related field, the OECD released a report in 2018 on **Human Acceleration of the Nitrogen Cycle: Managing Risks and Uncertainty**. This publication examines the risks associated with the release of excessive nitrogen into the environment, and is highly relevant to the South East Asia region.





The OECD produced the **Multi-Dimensional Country Review (MDCR) of Thailand – Volume 2: In-depth Analysis and Recommendation**, released in February 2019. The Report identifies water security as a key development challenge for Thailand and draws links between multi-level governance and regional development issues. To improve water security, the MDCR recommends focusing on moving from crisis management to risk management; tackling institutional fragmentation; and strengthening the use of economic instruments.

The OECD encourages countries in Southeast Asia to adhere to the **OECD Council Recommendation on Water**, which was adopted in 2016. Adherent countries will have access to an implementation toolkit that can facilitate the implementation of the Recommendation. The OECD is keen to engage further

with adhering countries, to facilitate implementation of ambitious water policy agendas. The **Roundtable on Financing Water** was established by the OECD, the World Water Council and the Government of the Netherlands as a response to the international community's recognition of the critical contribution of water to sustainable development and the need to ensure adequate financing for water. In 2019, the OECD and the Asian Development Bank will jointly hold a roundtable event in Asia, providing an opportunity for governments and other stakeholders in the region to engage in this initiative.

www.oecd.org/water/

www.oecd.org/environment/resources/roundtable-on-financing-water.htm

www.oecd.org/agriculture/human-acceleration-of-the-nitrogen-cycle-9789264307438-en.htm



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Strengthening global partnerships on clean energy and energy efficiency

Due to collectively become the world's fourth largest economy, Southeast Asia is and will continue to be crucial to the global achievement of objectives relating to clean energy development, sustainable energy use and energy security. Through well-defined formal work programs with Association Countries Indonesia, Thailand and Singapore, and in-depth engagement with the ASEAN, the IEA actively works with Southeast Asian partners to assist in these processes.

In clean energy deployment, the International Energy Agency (IEA) provides analytical support and policy advice to governments on renewables integration and deployment, investment financing and pricing, clean technology and energy efficiency under the IEA's multi-year **Clean Energy Transitions Programme (CETP)**, launched in late-2017, of which Indonesia is

one of six key target countries and Southeast Asia is a key target region. Recent highlights in this area include a Renewables Integration Assessment for Thailand, based on a direct request from Thailand, which explores the power system impacts of various scenarios of renewables penetration, and which sets out ways to mitigate these impacts. The IEA is also working with Indonesia, for example, on policy to drive electric vehicle deployment. Under CETP, energy data is seen as the key building block for effective energy transitions, with extensive current and planned capacity building activities on energy data and statistics with Indonesia and Thailand. In addition to work at the national level, the IEA leads the analytical inputs into the ASEAN process to enhance power sector integration and regional harmonisation in energy efficiency policy while assisting energy policy planning through the **2018 World Energy Outlook**.





The IEA's energy efficiency collaboration is led by the energy efficiency in emerging economies (E4) programme, which assists with data collection, indicators and modelling on energy efficiency and energy efficiency policy design, implementation and evaluation in countries such as Indonesia and Thailand. In July 2018, the IEA held the E4 Southeast Asia Energy Efficiency Training week in Jakarta, one of the Agency's largest ever capacity building events. A similar event will be held in Thailand in 2019.

The IEA's bilateral engagement with Southeast Asian countries, through formalised joint work programmes, places it at the centre of national debates on energy sector development, sustainable growth and energy security, each of which have systemic implications for global dynamics in these areas. The Association framework allows the IEA unparalleled access to policy development processes and decision-makers in partner countries, and will enhance co-operation on energy security, data and statistics, energy policy studies and beyond. Association status is expected to serve as a bridge and platform for wider-ranging and deeper co-operation and collaboration between IEA member and Association countries over time, including through Southeast Asian countries participation in IEA committee meetings and other high-level fora.

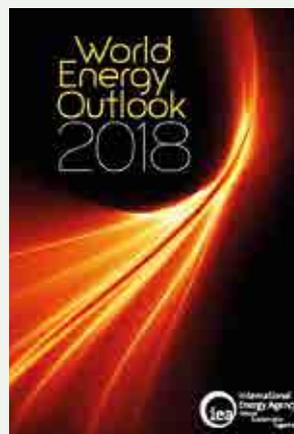
To complement extensive activities at the national level, the IEA's relationship with ASEAN at the regional level has deepened significantly in 2018, culminating in the IEA Executive Director's lead role in the ASEAN Minister of Energy Meeting (AMEM) in October 2018 and the formally expressed joint desire by ASEAN ministers of energy at that time to build "stronger institutional ties" with the IEA – which would build on the previous Memorandum of Understanding between the IEA and ASEAN and give the IEA unique status in the ASEAN energy ecosystem. This has been the result of extensive recent joint collaboration between the IEA and ASEAN Member States (AMS) (as well as other ASEAN bodies, committee and stakeholders), particularly

on regional power system integration and energy investment. On power system integration, AMS requested the IEA undertake analysis to present options for enhanced multilateral power trade in the region, and to determine the impacts of this process on renewables penetration, each of which will be presented to ministers in September 2019. In the area of energy investment, the IEA has in 2018 undertaken training for policymakers on ways to enhance timely clean energy investment, created a toolkit to support this, and developed a capacity building roadmap for ASEAN energy investment to guide regional capacity building activities in this area. Additional joint work in 2019 will focus on ways to encourage high-efficiency cooling at the ASEAN level, reflecting the fact that cooling is the single largest driver of ASEAN energy demand to 2040.

www.iea.org/cetp/

www.iea.org/topics/energyefficiency/e4

www.iea.org/newsroom/news/2018/october/asean-ministers-call-for-stronger-institutional-ties-with-the-iea.html



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ANNEXES

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INSTRUMENTS: FACILITATING INTERNATIONAL CO-ORDINATION AND DIFFUSION OF BEST PRACTICES

OECD standards contribute to three main goals: levelling the global playing field, i.e. ensuring fair competition between actors in the international arena; increasing international technical co-operation to provide fluidity and cost efficiency in global flows and exchanges; implementing shared policy objectives at the domestic level to improve the well-being of citizens. These standards, which span a variety of substantive areas, are based on in-depth analysis and reporting undertaken within the Secretariat and cover a wide range of topics from anti-corruption to environment. A large number of them have also achieved impact well beyond the OECD membership.

The OECD has developed around 450 legal instruments (of which around 245 are in force today) since its creation. These include OECD Acts (i.e. the Decisions and Recommendations adopted by the OECD Council in accordance with the OECD Convention) and other legal instruments developed within the OECD framework (e.g. Declarations, international agreements).

The Organisation's flagship standards include the Anti-Bribery Convention, the Codes of Liberalisation and of Capital Movements, the Guidelines for Multinational Enterprises, the OECD/G20 Principles of Corporate Governance, and the standard on exchange of information in tax matters and on Good Statistical Practice.

At the online Compendium of OECD Legal Instruments, more information about the OECD activity on legal instruments can be found, in addition to the text of all the legal instruments and other useful information such as relating to the background of the instrument and non-Member adherence.

An important priority for the Organisation is to bring Southeast Asian partner countries closer to OECD standards. Currently, a concerted effort is being made to further integrate the perspectives of Southeast Asia in the OECD's standard-setting activities. In particular, the participation of Southeast Asian Partners in the development of new standards and the revision of existing ones is important to level the playing field.

ADHERENCE TO OECD INSTRUMENTS

Paris Declaration on Aid Effectiveness – *Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Philippines, Thailand, Viet Nam, Timor-Leste*

Decision of the Council concerning the Mutual Acceptance of Data in the Assessment of Chemicals – *Malaysia, Singapore, Thailand*

Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters – *Indonesia, Malaysia, Singapore*

Declaration on Automatic Exchange of Information on Tax Matters – *Indonesia, Malaysia, Singapore*

Declaration on Base Erosion Profit Shifting (BEPS) – *Indonesia*

Declaration for the Future of the Internet Economy (Seoul Declaration) – *Indonesia*

Declaration: The Bologna Charter on SME Policies – *Indonesia, Philippines, Viet Nam*

Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs – *Indonesia, Malaysia, Thailand, Viet Nam*

Daejeon Declaration on Science, Technology, and Innovation Policies for the Global and Digital Age – *Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Thailand, Viet Nam*

Declaration on the Digital Economy: Innovation, Growth and Social Prosperity (Cancun Declaration) – *Indonesia*

Declaration on Better Policies to Achieve a Productive, Sustainable and Resilient Global Food System – *Indonesia, Viet Nam*

Recommendation of the Council on High-Level Principles on Financial Consumer Protection – *Indonesia*

Recommendation of the Council on Principles of Corporate Governance – *Indonesia, Singapore*

Declaration on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth – *Malaysia, Singapore, Viet Nam*

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International Understanding on Maritime Transport Principles –
Malaysia, Singapore, Thailand

Decision-Recommendation of the Council on Compliance with
Principles of Good Laboratory Practice – *Malaysia, Singapore, Thailand*

Declaration on the Fight Against Foreign Bribery – Towards a New Era
of Enforcement – *Thailand, Timor Leste*

Please visit the Online Compendium of OECD Legal instruments for
more information.

PARTNERSHIPS IN OECD BODIES AND PROGRAMMES

Associate in:

Coal Industry Advisory Board – International Energy Agency (IEA) –
Thailand

International Energy Agency (IEA) – *Indonesia, Singapore, Thailand*

Joint Meeting of the Chemicals Committee and the Working Party
on Chemicals, Pesticides and Biotechnology (MAD-related bodies) –
Malaysia, Singapore

Project Associate in:

Freedom of Investment Project – *Indonesia*

Committee on Fiscal Affairs – Project on Base Erosion and Profit
Shifting (BEPS) – *Brunei Darussalam, Indonesia, Malaysia, Singapore,
Thailand, Viet Nam*

Member of:

Governing Board of the Development Centre – *Indonesia, Thailand,
Viet Nam*

Global Forum on Transparency and Exchange of Information for
Tax Purposes – *Brunei Darussalam, Cambodia, Indonesia, Malaysia,
Philippines, Singapore, Thailand*

Participant in:

Fisheries Committee – *Thailand*

Competition Committee – *Indonesia*

Committee on Fiscal Affairs – *Indonesia, Malaysia, Singapore*

Healthcare Quality Indicators Expert Group – *Singapore*

Programme for International Student Assessment (PISA) – *Indonesia,
Malaysia, Philippines, Singapore, Thailand, Viet Nam*

Working Party on Innovation and Technology Policy – *Malaysia*

Steel Committee – *Malaysia*

Working Group on Good Laboratory Practice – *Thailand*

Working Group of National Co-ordinators of the Test Guideline
Programme – *Thailand*

Working Party on SMEs and Entrepreneurship – *Thailand*

Committee on Digital Economic Policy – *Singapore, Thailand*

Committee for Scientific and Technological Policy – *Thailand*

IEA Technology Collaboration Programmes – *Malaysia, Singapore,
Thailand*

Tourism Committee – *Philippines*

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PARTICIPATION IN OECD ASIAN NETWORKS

OECD-Asian Roundtable on Corporate Governance – *Indonesia, Malaysia, Philippines, Singapore, Thailand, Viet Nam*

ADB/OECD Anti-Corruption Initiative for the Asia-Pacific – *Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, Viet Nam*

Network of Senior Budget Officials for Asia – *Cambodia, Indonesia, Philippines, Thailand*

OECD/ADB Roundtable on Labour Migration in Asia – *Cambodia, Indonesia, Lao PDR, Myanmar, Philippines, Thailand, Viet Nam*

OECD Employment and Skills Strategies in Southeast Asia (ESSA) – *Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam*

OECD Development Centre-AMRO Joint Asian Regional Roundtable – *Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam*

DIALOGUE AND DATA

The OECD discusses its data and analyses with stakeholders from Southeast Asia through a range of channels.

The Trade Union Advisory Committee to the OECD (TUAC) and the Business and Industry Advisory Committee to the OECD (BIAC) bring their perspectives to the policy dialogue. In particular, BIAC co-operates with Southeast Asian business organisations to contribute knowledge and guidance to the OECD Southeast Asia Regional Program. The TUAC works in co-operation with the International Trade Union Confederation (ITUC) to provide international support for Asian unions and provides comment on the evolving industrial relations situation in the region. In particular, a series of training workshops have been held for the application of the OECD Guidelines for Multinational Enterprises.

www.tuac.org

www.biac.org

www.oecd.org/forum



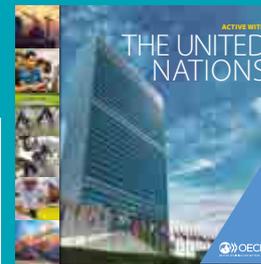
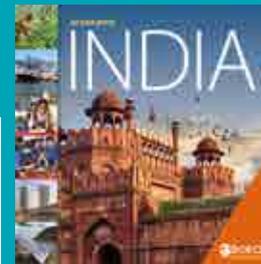
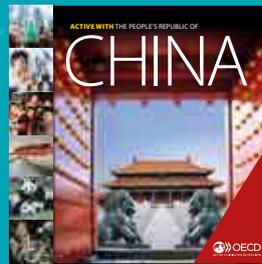
News and information about OECD work with **Southeast Asia** is available at www.oecd.org/southeast-asia

OECD iLibrary

Discover reports, data and analysis about Southeast Asia and the Caribbean alongside the world's leading economies on **OECD iLibrary**, the global knowledge base – www.oecd-ilibrary.org



The OECD: A Global Policy Network



The Organisation for Economic Co-operation and Development (OECD) is an international organisation helping governments tackle the economic, social and governance challenges of a globalised economy. It provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD Member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America.



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