

**2021 JOINT MINISTERIAL DECLARATION ON FUTURE ECONOMIC COOPERATION BETWEEN THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND**

*Adopted on 15 September 2021*

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1. The Association of Southeast Asian Nations (ASEAN) Member States and the United Kingdom of Great Britain and Northern Ireland (UK) reaffirm our shared commitment to the principles of an open, free, non-discriminatory, transparent, predictable, and stable multilateral trading system and anti-corruption. We embrace digital innovation and human capital development.
2. ASEAN and the UK share a diverse economic and commercial relationship that continues to flourish. Brunei's theme as ASEAN Chair 2021 'We Care, We Prepare, We Prosper' resonates with the UK.
3. ASEAN and the UK also recognise that the overall vision in the ASEAN Economic Community (AEC) Blueprint 2025 consisting of five interrelated and mutually reinforcing characteristics, namely: (i) A Highly Integrated and Cohesive Economy; (ii) A Competitive, Innovative, and Dynamic ASEAN; (iii) Enhanced Connectivity and Sectoral Cooperation; (iv) A Resilient, Inclusive, People-Oriented, and People-Centred ASEAN; and (v) A Global ASEAN, remains relevant and will serve as a building block in developing ASEAN and UK economic relations.

### **ECONOMIC RECOVERY FROM COVID-19**

4. ASEAN and the UK recognise that the COVID-19 pandemic continues to impact the lives and livelihoods of our people. Our thoughts are with those who have lost loved ones. We recognise the heroic efforts of healthcare and essential workers around the world. We are optimistic that, through working together, we will see our economies recover, strengthen, and flourish.
5. ASEAN and the UK will continue to work together to control and contain the spread of the COVID-19 virus. Along with the international community, we will secure a resilient, sustainable and inclusive global economic recovery. We encourage all nations to work together to address the linked challenges of public health, climate change and biodiversity, and to support the initiatives under the ASEAN Comprehensive Recovery Framework (ACRF) and its Implementation Plan.
6. ASEAN and the UK welcome knowledge sharing and exchanging best practice on policies and programmes to mitigate the economic impact of the pandemic. We look forward to regular engagement, including at Ministerial and Senior Economic Official levels, thereby securing a swift and sustainable economic recovery for our nations.
7. The COVID-19 ASEAN Response Fund continues to support ASEAN in the detection, control and prevention of COVID-19 transmission. ASEAN Member States appreciate the UK's £1 million commitment to the COVID-19 ASEAN Response Fund, and its £4.8 million commitment to support the COVID-19 response in Cambodia, Laos, Myanmar, and Vietnam.
8. ASEAN and the UK recognise the need to optimise the economic, social, environmental and cultural benefits stemming from the creative economy by creating an enabling environment for the promotion of the creative economy.

## **UK-ASEAN SUPPLY CHAINS AND MAINTAINING OPEN MARKETS**

9. Two-way trade between ASEAN and the UK was worth £33.8 billion in 2020, representing a decrease of 16.5% since 2019, before the Covid-19 pandemic. Whilst our two-way trade has been impacted by COVID-19 in 2020, the historic growth trend in the preceding years provides a strong foundation to drive prosperity and support job creation, especially for the Micro, Small and Medium-sized Enterprises (MSMEs) that form the backbone of our economies. ASEAN and the UK look forward to maintaining and strengthening trade links through the opening of our markets and facilitating the smooth flow of goods and services, including through the removal of market access barriers that are inconsistent with World Trade Organization (WTO) rules.

10. The COVID-19 pandemic has underlined the importance of diverse, resilient, and sustainable supply chains to ensure the continued flow of goods and services, especially in essential goods such as food, commodities, medicines and medical supplies. As President of the G7 this year, the UK established an Economic Resilience Panel, working with the Organization for Economic Co-operation and Development (OECD) to formulate recommendations on how the international community can address and overcome economic crises. These recommendations include areas of mutual interest between ASEAN and the UK, such as supply chain resilience for global public goods and championing an investment-focused recovery to build trust in open markets. The UK is eager to share this work with ASEAN through a dialogue.

11. ASEAN and the UK recognise the critical role of the multilateral trading system centred on the WTO in driving economic recovery in the post-pandemic period. We will work together for a stronger multilateral trading system which includes an open, free, non-discriminatory, transparent, predictable, and stable trade and investment environment. We will refrain from introducing any unnecessary measures which may adversely affect the exchange of goods, services and/or investment. We will ensure the transparency of all trade-related measures. This is in line with our WTO commitments and obligations, and for ASEAN Member States, in line with the Memorandum of Understanding on the Implementation of Non-Tariff Measures on Essential Goods Under the Hanoi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 Pandemic. We will also work together to address the challenges faced by the WTO to strengthen and reform the organisation ahead of the 12th WTO Ministerial Conference (MC12) so it can deliver for businesses and consumers around the world.

12. This year, ASEAN and the UK worked together to better understand supply chains between our respective economies through the Economic Research Institute for ASEAN and East Asia (ERIA) report titled 'UK-ASEAN Trade: Strengthening the Supply Chain Linkages' and the Accelerated COVID-19 Economic Support (ACES) programme, both funded by the UK.

13. Looking ahead, ASEAN and the UK will continue to work together to strengthen supply chains in sectors of mutual interest, through, but not limited to, the implementation of regulations on competition, consumer protection, intellectual property, trade facilitation, and standards on testing, inspections and certifications. We look forward to working together to share expertise and think innovatively to further encourage and increase the adoption of digital solutions to address these shared challenges.

## **REGULATORY EXCELLENCE**

14. ASEAN and the UK recognise the importance of using international standards within our regulatory frameworks to facilitate trade, improve product safety and quality, and meet consumer needs. We encourage the use of relevant international standards as the basis for regulation in accordance with WTO rules.

15. In support of the Master Plan on ASEAN Connectivity (MPAC) 2025, the UK funded a range of activities this year, including through the £19 million Economic Reform Programme. Using this UK funding, ASEAN and the OECD delivered competition assessments and competitive neutrality reports on the logistics sector, presenting its findings at the ASEAN Economic Ministers Meeting in September 2021. We express our interest to explore potential cooperation between ASEAN and the UK to achieve a connected and integrated ASEAN in line with the objectives of the MPAC 2025.

16. The UK will continue to support ASEAN in its efforts to improve regulatory efficiency, transparency, predictability and harmonisation, strengthening the business environment for domestic and foreign firms. The UK also looks forward to working with ASEAN to develop its regulatory standards and systems development. Both sides welcome the participation of each other's businesses and interested parties in standardisation activities in ASEAN and the UK.

### **DIGITAL INNOVATION**

17. This year marked a step-change in ASEAN-UK collaboration on digital innovation and technology, with the UK's Asia Pacific Digital Trade Network now fully operational and the launch of the ASEAN-UK Digital Innovation Partnership. This Partnership will help us to achieve our shared economic and technological ambitions. Running until 2025, in line with the ASEAN Digital Masterplan 2025, Master Plan on ASEAN Connectivity 2025, ASEAN Digital Integration Framework and ASEAN Agreement on E-Commerce the collaboration under this Partnership will fall into the following three thematic categories: Digital Government; Digital Economy; and Trusted Digital Services. The UK-ASEAN Digital Innovation Symposium brought together the public and private sectors to share learning, which spanned digital technical standards, digital transformation, data governance, and e-commerce.

18. ASEAN and the UK believe in harnessing digital tools to improve access to information for our business community. Recognising the importance of engaging the private sector, ASEAN and the UK will expand the ASEAN-UK Digital Business Challenge and will explore the possibility of designing a Digital Marketplace to enable more inclusive public procurement for MSMEs. This activity will help to broaden the reach of ASEAN entities, especially MSMEs, looking to collaborate with UK partners on solving organisational challenges through digital solutions. In doing so, this activity will deepen ASEAN-UK economic ties whilst growing a network of rich international partnerships.

19. ASEAN and the UK will look to build on existing cyber-security cooperation, pursuing secure and resilient digital services and infrastructure through capacity building and other development activities and knowledge exchanges.

### **FINANCIAL SERVICES**

20. ASEAN and the UK recognise the importance of an innovative approach to financial services, including, but not limited to, Financial Technology (FinTech), to further facilitate financial inclusion of all people. The UK has both regulatory and commercial expertise across the FinTech ecosystem and is committed to sharing best practice with ASEAN.

21. In coordination with the private sector, ASEAN and the UK will share information on the development of FinTech in the ASEAN region, which includes hosting masterclasses across the region to support trade and investment. Recognising this, we look forward to pursuing capacity building initiatives in FinTech for ASEAN officials and stakeholders, particularly MSMEs, focusing on priority areas for ASEAN.

22. ASEAN and the UK wish to highlight the importance of green finance, and the UK will conduct research and present findings to ASEAN to explore how to best scale the availability of green finance in ASEAN. We will also explore the opportunities for financing transition activities in ASEAN.

## **SUSTAINABLE GROWTH**

23. ASEAN and the UK reaffirm our commitment to tackling climate change, one of the most serious threats facing our world. There is a clear need and urgency for all countries to take climate action in support of the Paris Agreement's goals. We look forward to closer cooperation to address our climate change and sustainability challenges, including enhancing capacity building initiatives for member states under the framework of the ASEAN-UK Cooperation on COP26 and longer-term dialogue cooperation. Sustainable development will continue to be a key focus for ASEAN and the UK under our economic cooperation efforts.

24. The current economic climate presents an opportunity to build a greener and more sustainable global economy, in line with the objectives of the 2030 Agenda for Sustainable Development, the United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement. ASEAN and the UK reaffirm our strong and steadfast commitment to strengthening implementation of the Paris Agreement, unleashing its full potential.

25. ASEAN and the UK look forward to using this opportunity to focus on short, medium and long-term spending on infrastructure and wider recovery plans on sustainable and resilient growth. ASEAN and the UK reaffirm our commitment to working together towards sustainable development that will create employment in the industries of the future while addressing public health challenges.

26. ASEAN and the UK look forward to accelerating the energy transition efforts towards ensuring sustainable and low carbon supply chains, mainstreaming nature, biodiversity and climate into economic decision-making, and improving resource efficiency and promotion of a circular economic approach. We will explore opportunities for cooperation and support to further promote and develop relevant international standards, which will help facilitate the attainment of the said commitments.

## **INFRASTRUCTURE**

27. ASEAN and the UK recognise the importance of developing and investing in sustainable and resilient infrastructure to support post-pandemic recovery and to meet the needs of future generations.

28. To this end, ASEAN and the UK commit to deepening our collaboration on sustainable infrastructure, innovation, research and development of technologies under MPAC 2025. We look forward to pursuing cooperation initiatives on sustainable green infrastructure development as a physical component that forms part of the backbone of Smart Cities' development across the ASEAN region.

29. ASEAN and the UK welcome the ASEAN-UK Sustainable Infrastructure Course delivered in April 2021. Looking ahead, we commit to sharing best practice through information and experience exchanges through harnessing our public and private sector expertise. To this end, we welcome the recent progress in designing a capacity building course for our officials together, which will work towards strengthening our infrastructure planning, preparation, delivery and operations, as well as establishing sustainability as a key part of infrastructure project lifecycle.

## **SKILLS AND EDUCATION**

30. ASEAN and the UK recognise the challenges the pandemic has introduced for young people and the wide-scale disruption to education it has caused. Improving the use of, and access to, digital education platforms to develop the necessary skills for our people is critical to our long-term recovery from COVID-19. Equitable access to, and mutual recognition of, quality education is crucial for students and professionals to develop their careers, gain qualifications, and realise their potential.

31. ASEAN and the UK will continue our close relationship in skills-based education and welcome the UK support to ASEAN as an advisor on the Southeast Asian Ministers of Education Organisation (SEAMEO), which has established the SEAMEO Technical and Vocational Education and Training Council. The UK will contribute to the ASEAN Business Advisory Council 2021 legacy programme, the Harnessing Impact with Resilient Employability Digitally (HIRED) programme, bringing together employers from the UK and ASEAN to trial virtual learning and internships. The UK will also chair a Wilton Park dialogue in March 2022 focused on green skills and entrepreneurship.

32. ASEAN and the UK will also explore possible cooperation activities between the ASEAN Technical and Vocational Education Council (ATC) and the UK to support the advancement of TVET in the region.

### **MSME DEVELOPMENT**

33. ASEAN and the UK acknowledge that MSMEs are the backbone to economic development and growth. They constitute the largest number of establishments and contribute significantly to the labour force of ASEAN and the UK. These enterprises are important in terms of income and employment generation, gender and youth empowerment through their diverse business participation, and their widespread presence in the non-urban and rural areas. Supporting MSMEs plays a fundamental role in achieving long-term, sustainable economic growth and narrowing the development gap. We recognise the importance that leveraging technology and digital trade has played, and can continue to play, in allowing MSMEs to continue operations during the COVID-19 pandemic.

34. ASEAN and the UK look forward to working together to support MSME development. We support the implementation of actions identified in the ASEAN Strategic Action Plan for SME Development 2016-2025, in order to create more globally competitive and resilient MSMEs. We look forward to encouraging participation and growth of MSMEs in international, regional, and national markets.

### **WOMEN'S ECONOMIC EMPOWERMENT**

35. ASEAN and the UK recognise the need to ensure our economic and trade policies are inclusive and do not leave anyone behind, especially women and girls. We note the existing attitudes and social norms which mean women and girls carry out disproportionately more unpaid care work which reduces time for paid work and education.

36. To address this, we look to work together to address the systemic barriers that may exist for women in trade, with an aim to increasing women's access to technology, markets, skills, financing and business networks. We will collaborate to support women to benefit equitably from global supply chains to improve their job opportunities and working conditions and will encourage gender-responsive investment by the public and private sector, as well as to support existing ASEAN initiatives and mechanisms to enhance women's empowerment and strengthen entrepreneurship capacities and skills for women in ASEAN, including but not limited to, the ASEAN-Business Advisory Council (ASEAN-BAC) and the ASEAN Women Entrepreneurs Network (AWEN).

37. As members of the WTO, ASEAN and the UK support the wider WTO membership to deliver an ambitious outcome at the MC12 to bolster women's participation in trade and their economic empowerment.

38. ASEAN and the UK will share identified best practice and mechanisms to expand women's choices and opportunities, as workers, business owners, and consumers, so they can participate in and benefit from trade.

39. It is important to have a strong evidence base on women's economic empowerment and trade. ASEAN and the UK welcome the collection and analysis of gender-disaggregated data and the development of tools, such as, for instance, the SheTrades Outlook.

#### **PUBLIC-PRIVATE SECTOR PARTNERSHIP**

40. ASEAN and the UK underscore the significant contribution of public-private sector partnership, both in responding to COVID-19 and driving future growth. We further recognise the important work of the ASEAN Business Advisory Council (ABAC), supported by the Joint Business Councils, especially the UK-ASEAN Business Council (UKABC) in advancing economic integration in our region.