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PwC Growth Markets Centre looks into the Future of ASEAN in latest report

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PwC's Growth Markets Centre has launched its 2018 annual report titled ['The Future of ASEAN – Time to Act'](#), during the official opening of PwC Singapore's new office premises at Marina One today, which was officiated by Mr Heng Swee Keat, Minister for Finance.

[‘The Future of ASEAN – Time to Act’](#) provides a view of the policies that the Association of Southeast Asian Nations (ASEAN) governments ought to consider to ensure the region continues to attract investment and strategies for future growth across seven sectors – automotive, financial services, consumer goods, medical devices, refined fuels, telecommunications and transportation.

ASEAN – a Unique Growth Story

2017 marked the 50th anniversary of ASEAN, (the Association of Southeast Asian Nations - Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam) which is a unique achievement considering the conflicts and poverty which characterised the region in the first half of the 20th century.

Since its inception, ASEAN has not only doubled its membership, but has also successfully weathered both the Asian financial crisis of 1997 and the global economic crisis of 2008–2009, to become the sixth-largest economy globally. Along this remarkable growth journey, ASEAN has managed to balance economic growth with human development to lift millions of people out of poverty across the entire region.

However, a number of challenges, including a slowdown in short-term economic growth, weak workforce productivity, an ageing population, an over dependence on external trade and major voids in infrastructure and national institutions raise questions about the sustainability of ASEAN’s growth story.

Time to Act

[‘The Future of ASEAN – Time to Act’](#) presents a view as to how ASEAN needs to

progress from an era of passive growth, and take more proactive measures to continue to attract investments, develop institutions, and evolve its people and technological capabilities. The private sector will also have a major role to play in strengthening the region's growth prospects over the coming years, but this will require companies not only to provide new products and services, to meet varying consumer preferences, but also to work more closely with governments to develop the right conditions for businesses to prosper.

Going forward, we do see significant growth opportunities for the private sector across a number of industries in ASEAN – including automotive, financial services, consumer goods, medical devices, refined fuels, telecommunications and transportation. However, given the dynamics and challenges of ASEAN, along with the ever evolving and demanding needs of consumers in the region, companies will need to adopt innovative strategies to succeed.

These new strategies fall under a set of common themes:

- **1. Localisation:** Transition to more localised sourcing, productions and sales through the development of regional hubs to serve ASEAN consumers. (e.g. automotive and medical devices).
- **2. Digitalisation:** Adoption of digital capabilities to improve the production and transportation of goods and services, as well as the communication with consumers and businesses (e.g. financial services, consumer goods and telecommunications).
- **3. Partnerships and Alliances:** Development of partnerships and alliances, particularly cross sector and with industry disruptors (e.g. Fintech), as companies try to stay relevant and competitive whilst meeting consumers expectations in a profitable manner (e.g. refined fuels and transportation).

David Wijeratne, Partner and PwC's Growth Markets Centre Leader, says:

“ASEAN can be proud of what it has achieved in the past 50 years, but the time of passive growth is over. Global growth needs ASEAN to fulfil its potential and grab hold of its future, now is the Time to Act.”

Ends

Notes to editor:

PwC's Growth Markets Centre is global team, which supports companies navigate the ever changing complexities of entering and expanding into and from developing markets. For more information, please contact [David Wijeratne](#) – PwC Growth Markets Centre Leader or visit www.pwc.com/gmc

You can download a copy of 'Future of ASEAN – Time to Act' [here](#).

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