

DRAFT AGENDA (as of 7 June)



OECD SOUTHEAST ASIA REGIONAL FORUM
BOOSTING PRODUCTIVITY
AND INCLUSIVENESS IN
SOUTHEAST ASIA

Tuesday, 14 June 2016

InterContinental Westlake Hotel

Ha Noi, Viet Nam

BACKGROUND

The Southeast Asia region, with over 600 million people and the 3rd largest labour force in the world, is one of the main drivers of global growth. The region has made remarkable progress in raising income, reducing poverty, and integrating with the world economy. This growth experience sets the region as a whole apart from other emerging markets and has seen incomes in most Southeast Asian countries lifted well above the developing-country average. Going forward, growth looks set to average about 5 per cent in the second half of this decade. Geographic location, vast endowments of natural resources, rapidly diversifying economies, an expanding middle-class and a young and dynamic population, offer vast opportunities to trade and investment. This is underpinned by deeper regional integration frameworks, such as the ASEAN Economic Community (AEC), which formalised on 31 December 2015 as a key milestone, and the *AEC Blueprint 2025* listing elements beyond 2016.

Despite these outstanding achievements, challenges remain. The region needs to sustain strong productivity growth to close the gap in relative living standards vis-à-vis the more advanced economies. Growth will increasingly depend upon improving resource allocation and their usage within sectors of the economy – through investments in human capital, technology and infrastructure. Structural reforms in key sectors are needed as well as the development of a modern services sector. Southeast Asian countries are highly integrated in global value chains (GVCs), but to remain competitive, new policies are needed for upgrading in GVCs, sustaining trade integration and supporting the creation of domestic entrepreneurial capacities.

To support these processes, the OECD, through its Southeast Asia Regional Programme (SEARP), has intensified engagement in support of regional integration. The main objective of the SEARP is to support domestic priorities, policy reforms and regional integration efforts in Southeast Asia. It also aims to foster mutual learning and the exchange of good practices between policy makers in Southeast Asia and OECD countries.

OBJECTIVES OF THE 2016 OECD SOUTHEAST ASIA REGIONAL FORUM

The 2016 OECD Southeast Asia Regional Forum will bring together policy-makers from Southeast Asia and OECD member countries, international and regional organisations, experts and business representatives to explore issues related to boosting productivity and inclusiveness to feed into the AEC agenda beyond 2016.

Given the high level of ambition of productivity growth and inclusiveness, the forum explores policies that will enhance productivity while fostering more inclusive growth. This will allow people to fulfil their potential within a robust and innovative economic setting, improved productivity growth, with a more equitable sharing of proceeds. Addressing both productivity and inclusiveness together is essential to reigniting growth and to building a resilient economy. These call for comprehensive policies designed to increase productivity and address the issue of inequality of opportunities and outcomes. The first session starts with an economic overview of the region, followed by a discussion how the region can increase the productivity enhancing the diffusion of it. The *Update of the Economic Outlook for Southeast Asia, China and India 2016* will be launched during the Forum. This publication focuses on recent developments in macroeconomic conditions – including new data and forecasts – and regional integration.

At the same time, in order to maximise the benefits of the AEC, there is a need for the SMEs in the region to be better connected, better resourced and better engaged to GVCs. The second session explores how the region might respond to the challenges to form well-established GVCs, along with more competitive and productive SMEs that are better integrated into the GVCs.

The final session explores possibilities for social protections which engage and benefit people, making the region more inclusive, sustainable, resilient, and dynamic. These would help the acceleration of economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership, in order to strengthen the foundation for a prosperous and peaceful ASEAN community as set out in the ASEAN Declaration.

OECD Southeast Asia Regional Forum

"Boosting Productivity and Inclusiveness in Southeast Asia"

Tuesday, 14 June 2016

InterContinental Westlake Hotel, Hanoi, Viet Nam

08:00-09:30 REGISTRATION

08:30-09:15 RELEASE OF THE UPDATE *OF THE ECONOMIC OUTLOOK FOR SOUTHEAST ASIA, CHINA AND INDIA 2016*

09:30-10:30 OPENING SESSION (Venue: Grand Ball Room)

Opening Remarks:

- **TBD**, Vice Minister of Foreign Affairs, **Viet Nam**
- **Mr. Douglas FRANTZ**, Deputy Secretary-General, **OECD**
- **H.E. Mr. Masakazu HAMACHI**, Parliamentary Vice-Minister for Foreign Affairs, **Japan (TBC)**

Keynote Speech:

- **H.E. Dr. AKP MOCHTAN**, Deputy Secretary-General, Association of Southeast Asian Nations (**ASEAN**)

10:30-10:45 FAMILY PHOTO

10:45-12:30 SESSION 1: BOOSTING PRODUCTIVITY IN SOUTHEAST ASIA

ASEAN's regional integration has significantly progressed and its economic performance has remained relatively resilient in the face of several external challenges in recent years. However, underlying structural weaknesses in the region have become more visible, during this period of sluggish and uneven global economic growth, with productivity gains slowing. Looking to fully implement the ASEAN Economic Community (AEC) agenda, the region needs a comprehensive strategy for raising productivity growth, a central driver of long-term improvements in living standards and prosperity, whilst promoting inclusiveness towards more coherent economy. This session will offer participants the opportunity to explore possible policy solutions for enhancing productivity while fostering greater inclusive growth.

Moderator: Dr. Robert FORD, Deputy Director, Economics Department, **OECD**

Speakers:

- **Professor Dr. Suahasil NAZARA**, Chairman of the Fiscal Policy Agency, Ministry of Finance, **Indonesia**
- **Mr. David BRADBURY**, Head of Tax Policy and Statistics Division, Centre for Tax Policy and Administration, **OECD**
- **Mr. NGUYEN Anh Tuan**, Director, National Productivity Institute, **Viet Nam**
- **Mr. Alex V. AVILA**, Executive Director, National Wages and Productivity Commission, **Philippines**
- **Mr. Myo MIN**, Deputy Director General, Foreign Economic Relations Department, Ministry of Planning and Finance, **Myanmar**
- **Mr. Kensuke TANAKA**, Head of Asia Desk, **OECD Development Centre**

Rapporteur:

- **H.E. Mr. Gabriele CHECCHIA**, Ambassador, Permanent Representative, Permanent Delegation to the OECD, **Italy**

Open Discussions**Issues for discussion:**

- What are the most important factors for promoting productivity in the region?
- What are the most promising policy interventions for increasing productivity growth?
- How does productivity strengthen the region's resilience to external and internal shocks, both in short-and long-term?
- How can the region develop effective strategies to ensure that all people and the countries can contribute to the building of more productive economies?

12:30-14:00 **BUFFET LUNCH****14:00-15:30** **SESSION 2: INTEGRATING ASEAN SMES INTO GLOBAL VALUE CHAINS**

Growth in international trade and investment over the past decade has been accompanied by shifting patterns of production, from straightforward supply relationships to global value chains (GVCs) in which different stages of production are spread across multiple countries. Whilst creating opportunities for ASEAN firms, this has also created challenges, such as increased competitive pressures and firm dependency on a single customer. Policy makers have been slow to adapt, with SMEs particularly hit by the lack of flexible, targeted support, and with measures such as cluster support at times misplaced or even counterproductive.

Moderator: Professor Dr. Fukunari KIMURA, Chief Economist of **ERIA** and Dean of Graduate School of Economics, Keio University

Speakers:

- **Dr. Susan STONE**, Chief, Trade and Investment Division, **UNESCAP**
- **Mr. Isham ISHAK**, Deputy Secretary-General for Trade, Ministry of International Trade and Industry, **Malaysia**
- **Mr. NGUYEN Hoa Cuong**, Deputy Director-General, Agency for Enterprise Development, **Viet Nam**
- **Ms. YAP Lai Peng**, Head of Division, Market Integration Directorate, **ASEAN Secretariat**
- **Mr. Mufti Hamka HASAN**, Vice Chairman, Committee for International Trade, **KADIN, Indonesia**
- **Ms. Franca CIAMBELLA**, Vice President and Membership Co-Chair of the Canada-ASEAN Business Council, **Canada**

Rapporteur:

- **Ms. Danielle THIBAUT**, Minister Counsellor, Permanent Delegation of **Canada** to the OECD, Vice Chair of the External Relations Committee

Open Discussions**Issues for discussion will include:**

- How should ASEAN policy makers deal with the challenges through regulatory reforms and targeted support measures?
- Are there good policy practices from OECD and ASEAN countries?
- How can ASEAN co-operation help to align and improve policies and to make

competitive ASEAN SMEs across the region?

- How can the OECD further support implementation of the *ASEAN Strategic Action Plan for SME Development*?

15:30-15:45 COFFEE BREAK

15:45-17:15 SESSION 3: INCLUSIVENESS: THE SOCIAL AGENDA

Despite outstanding achievements in economic development, such as rapid economic growth, increasing per capita incomes and reduced poverty, the region still faces important challenges. Equitable growth and narrowing development gaps, so as to foster greater regional integration and cohesion, are major challenges faced by all ten ASEAN countries. The unequal distribution of benefits of economic growth, could lead to a widening of existing inequality gaps, with social cohesion and stability, with gender equality, health care, and pension systems, potentially threatened. The discussion will highlight the policies that play a vital role in upgrading social protections and enabling equal access to economic opportunities.

Moderator: Mr. Andreas SCHAAL, Head of the Sherpa Office and the Global Governance Unit, **OECD**

Speakers:

- **Dato Ir. Dr LEE Yee Cheong**, Chair of International Science Technology and Innovation Centre for South-South Cooperation under the auspices of UNESCO, **Malaysia**
- **Ms. Katherine B. BRIMON**, Assistant Secretary, Department of Labour and Employment, **Philippines**
- **Mr. Chutintorn GONGSAKDI**, Director-General, International Economic Affairs, Ministry of Foreign Affairs, **Thailand**
- **Mr. Eric SIDGWICK**, Country Director for Viet Nam, **ADB**
- **Dr. Willem ADEMA**, Senior Economist, Employment, Labour and Social Affairs Directorate, **OECD**

Rapporteur:

- **H.E. Ms. Stephanie LEE**, Ambassador to ASEAN, **New Zealand**

Open Discussions

Issues for discussion:

- What are the social policy challenges in the region that hinder sustainable growth?
- How should policy-makers balance the necessary policies to achieve both economic and social development?
- What are the main policy priorities in fully realising the benefits of regional integration and inclusiveness?

17:15-17:45 CLOSING SESSION

- TBC, High-level Representative of the Government of **Viet Nam**
- TBC, High-level Representative of the Government of **Japan**
- **Mr. Marcos BONTURI**, Director of Global Relations, **OECD**

18:00-20:00 COCKTAIL RECEPTION

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