

# ASEAN UPDATES

5<sup>TH</sup> MEETING OF THE OECD-SOUTHEAST ASIA CORPORATE GOVERNANCE INITIATIVE



LE DUY BINH  
ECONOMICA  
28 - 29 MARCH 2018 - YANGON, MYANMAR

# ASEAN KEY MACRO-ECONOMIC FACTS UPDATED

## 6<sup>th</sup>

*largest economy in the world,  
3<sup>rd</sup> in Asia. A combined GDP  
of **US\$2.55 trillion** in 2016.*

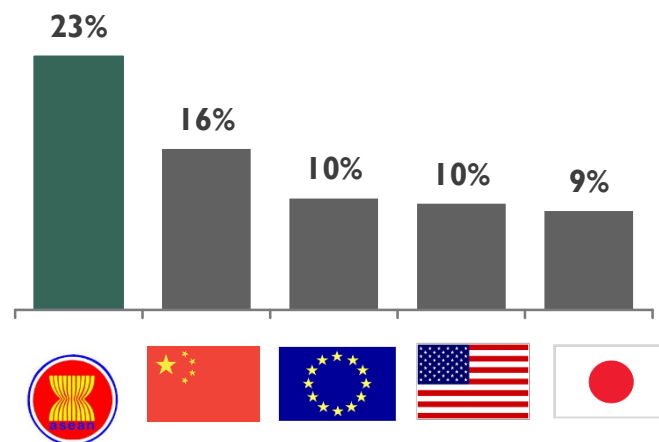
## 3<sup>rd</sup>

*largest market in the world  
Total population of over 635 million.*

## 5%

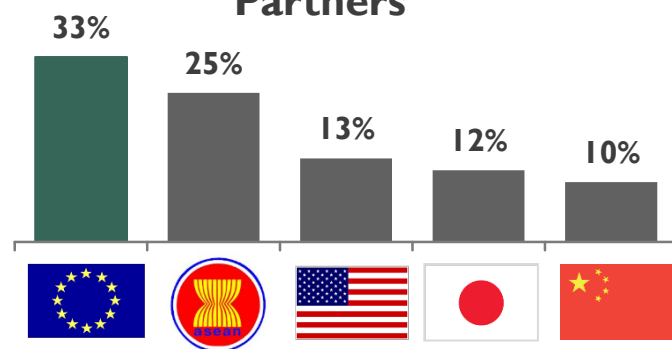
*Economic growth rate in 2017  
Higher than **4.6%** in 2016.*

### Major Trading Partners



Total ASEAN trade stood at **US\$ 2.2 trillion** in 2016 with **intra-ASEAN trade** comprising **the largest share**.

### ASEAN FDI from Dialogue Partners

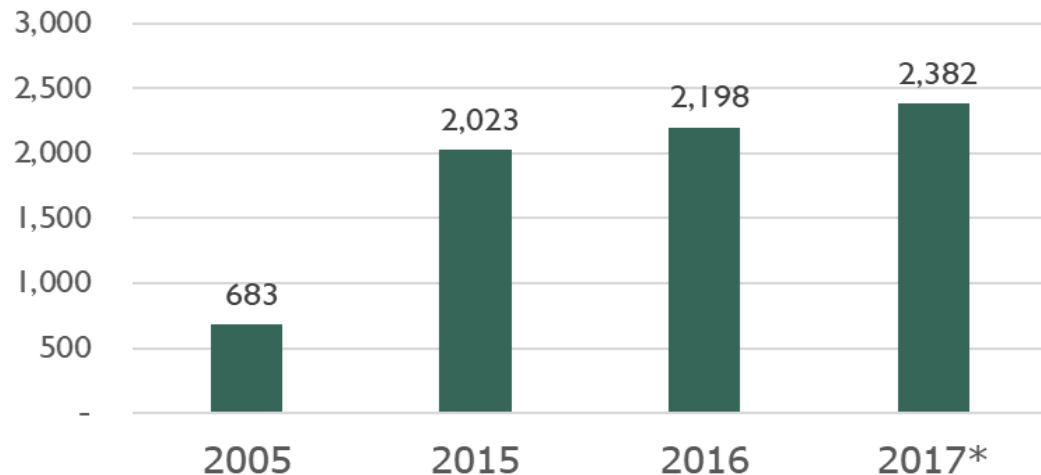


**ASEAN** - one of the largest sources of FDI flows in 2016. The region attracted **US\$ 98 billion** in Foreign Direct Investment in 2016, **79%** of which was in the services sector.

Source: ASEAN Secretariat (2018), ADB (2017)

# THE CAPITAL MARKET – AN IMPORTANT GROWTH ENABLER

ASEAN Market Capitalization (US\$ bil)



\*Preliminary

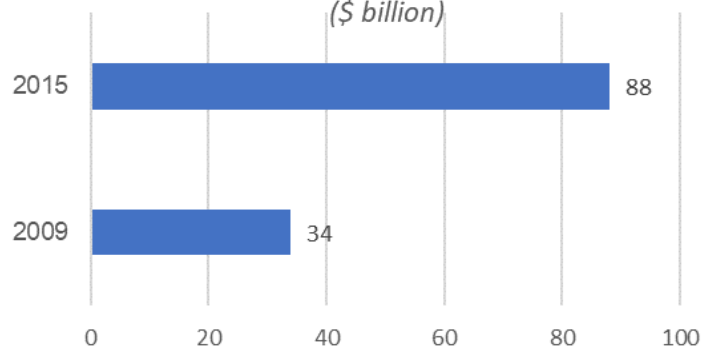
# ~3860

Listed Public Company in ASEAN

## Development gaps in ASEAN

- ASEAN-3: about **65%** of total market capitalization
- ASEAN-5: about **96%** of total market capitalization, CLMV merely **4%**
- ASEAN-5: **81%** of LPC; only 19% from CLMV

Intra-ASEAN Portfolio Investment Assets  
(\$ billion)



# 3%

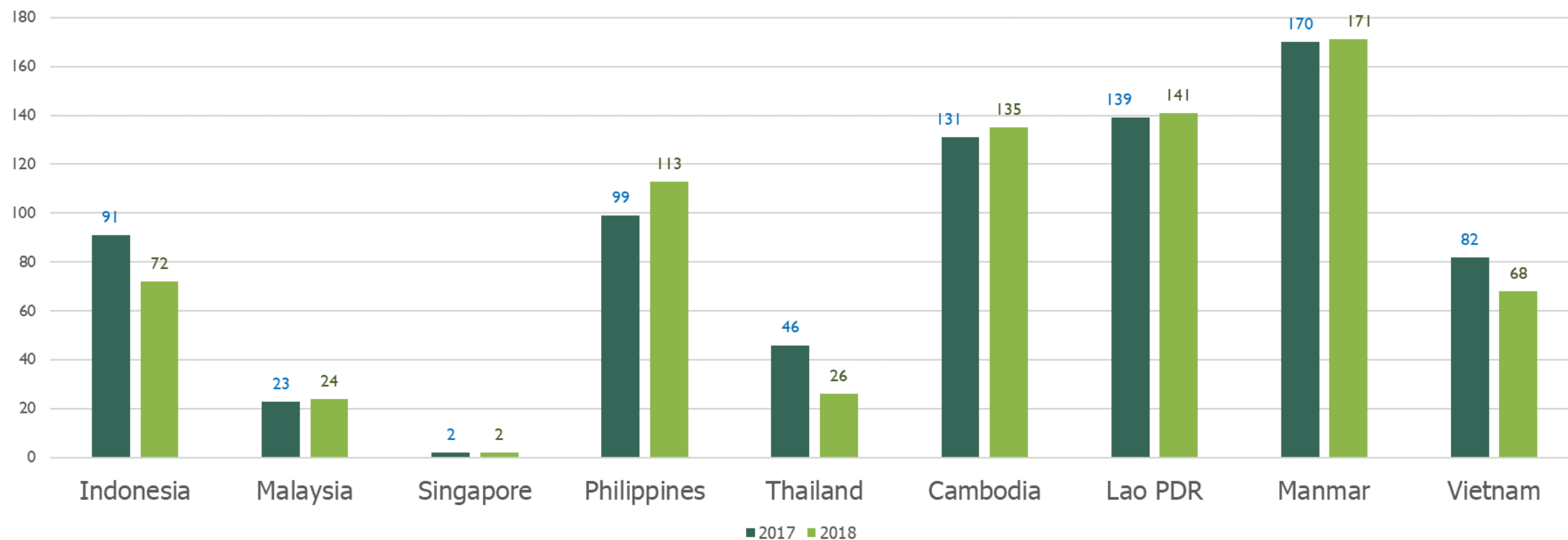
Of the world's total

## Highly Potential

- Size of pension fund and insurance assets: > US\$ **650 billion**
- Gross saving rates: ~ **30%** of GDP

# GAPS IN QUALITY OF BUSINESS ENVIRONMENT

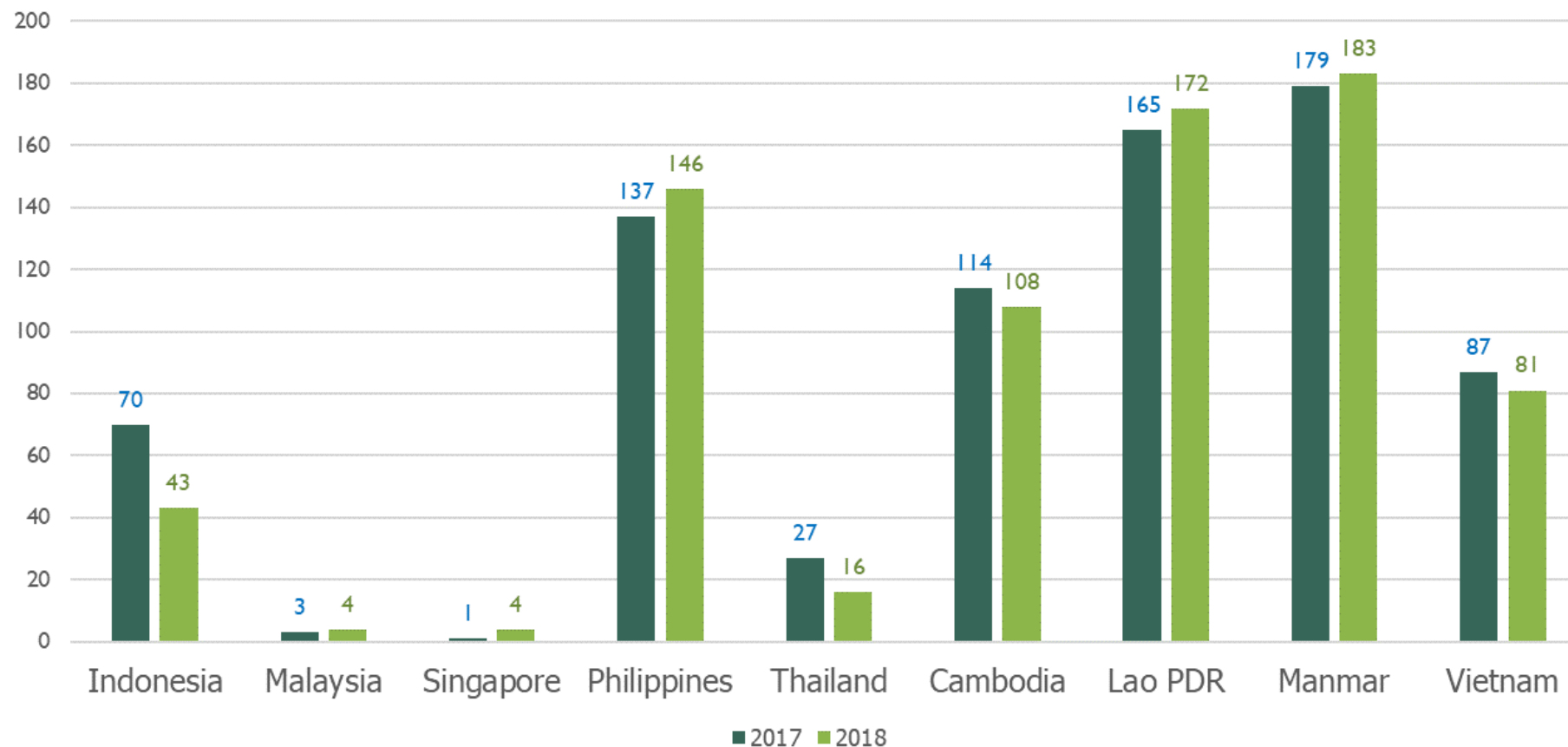
Ease of Doing Business Rank



Source: WB Doing Business 2017, 2018

# GAPS IN QUALITY OF CORPORATE GOVERNANCE

## Protecting Minority Investors



### Protecting Minority Investors measures:

- *Extent of disclosure*
- *Extent of director liability*
- *Ease of shareholder suits*
- *Extent of shareholder right*
- *Extent of ownership and control*
- *Extent of corporate transparency*

Source: WB Doing Business 2017, 2018

## GAPS IN THE PACE OF REFORMS

In DB 2018, efforts for regulatory reforms to improve corporate governance picked up in ASEAN - but not necessarily in CLMV countries

	DB 2015	DB 2016	DB 2017	DB 2018
Indonesia	x	x	x	✓
Malaysia	x	x	x	✓
Singapore	x	x	x	x
Philippines	x	x	x	x
Thailand	x	x	x	✓
Cambodia	x	x	x	x
Lao PDR	✓	x	x	x
Myanmar	x	x	x	x
VN	x	x	✓	x

*More and faster reforms needed to narrow the gaps*