Ms. Armida Salsiah Alisjahbana
Under-Secretary-General of the United Nations and
Executive Secretary of ESCAP

Opening remarks

ASEAN Investment Forum

9:00-9:15, September 2

Sultan Hotel, Jakarta, Indonesia

Your Excellency Bahlil Lahadalia, Minister of Investment and Chairman of the Indonesia Investment Coordinating Board;
Your Excellency Dr. Kao Kim Hourn, Secretary General of ASEAN;
Mr. M. Arsjad Rasjid P.M., ASEAN Business Advisory Council Chair;
Excellencies, Distinguished Delegates, Ladies and Gentlemen;

The foundations of our world were shaken to the core by COVID-19. The pandemic coupled with geopolitical tensions pushed the global economy towards the worst recession in decades. Skyrocketing public debt and plunging fiscal resources in most developing countries have exacerbated an already complex macroeconomic situation. Taken together these polycrises have constrained cross-border business, trade, and investment flows, thereby threatening inclusive growth and sustainable development.

The good news is that the ASEAN region has demonstrated its resilience in the face of these multifaceted challenges. While nearly all developed countries have experienced declining investment flows since the pandemic, the opposite has been true for ASEAN. In fact, foreign direct investment – or
FDI – inflows to ASEAN member States reached a record high of 224 billion US dollars in the last year.

Yet, while ASEAN may be one of the most attractive subregions for investors, it still faces two critical hurdles for attracting and promoting more and better quality investment:

First, and most importantly with regards to sustainable development, ASEAN member States still need more and better quality FDI to enable them to achieve their Sustainable Development Goal- or SDG - priorities. Boosting investment into SDG related sectors requires both developing a pipeline of attractive investment ready opportunities in key sectors and building the capacity of ASEAN investment promotion agencies to target and pitch these opportunities to the right investors.

Second, FDI flows into the subregion are unevenly distributed amongst the larger and more developed economies. Better coordinated efforts are needed to encourage more investment flows into the least developed countries in the subregion. For example, this could be achieved through promoting ASEAN as one investment destination for global and regional supply chains. Through the ASEAN Secretariat, ASEAN member State investment promotion agencies could develop an investment promotion strategy to target value chains in several key sectors in which each country has competitive advantages. Together, ASEAN could then pitch the subregion as a hub for sectoral value chains with each country attracting investment in key nodes of those chains and therefore leading to a better distribution of investment across the subregion.
I commend ASEAN leaders for recognizing the urgency of attracting more and better sustainable investment into the subregion in the “ASEAN Comprehensive Recovery Framework”, and for tasking the ASEAN Secretariat’s Coordinating Committee on Investment - or the CCI - to explore initiatives to promote FDI for sustainable development in the subregion.

Today’s Investment Forum is the first of such important initiatives and it further supports the shared commitment of ASEAN Economic Ministers in their recent meeting to bolster ASEAN investment competitiveness amidst a changing global landscape. Through providing ASEAN member States with a platform to pitch investable opportunities to investors in the electric vehicles, renewable energy, and health sectors, this Forum can serve as an important catalyst for boosting FDI. Indeed, the ASEAN Economic Ministers recent statement also recognizes these sectors as important for both boosting investment and supporting sustainable development in the subregion. I encourage all of you to actively engage in the discussions today, share your insights, and seize the opportunities that this Forum offers.

I would like to thank the Ministry of Investment of Indonesia, the ASEAN Secretariat, the ASEAN Business and Advisory Council, the World Association of Investment of Investment Promotion Agencies, and Bloomberg for their strong partnership in organizing this first iteration of the ASEAN Investment Forum. It has been a great pleasure for ESCAP to collaborate with you and the ASEAN community, and we look forward to collaborating in the future on such Investment Forums alongside the ASEAN Business and Investment Summit.
In conclusion, allow me to underscore that ESCAP is committed to supporting ASEAN member States in tangibly improving their ability to attract and promote FDI for sustainable development.

To this end, I am pleased to announce that together with the CCI, ESCAP will begin implementation of a two-year project this November to build the capacity of ASEAN investment promotion agencies to develop and pitch sustainable investment projects, as well as to develop a regional action plan for promoting ASEAN as one investment destination. I look forward to sharing the progress and outcomes of this project with you in the coming months.

Thank you.