H.E. Dr. Kao Kim Hourn, Secretary-General of ASEAN
Opening Remarks
ASEAN Investment Forum (AIF) 2023
2 September 2023, Sultan Hotel, Jakarta

Excellency Bahlil Lahadalia, Minister of Investment of Indonesia and Chairman of Indonesia Investment Coordinating Board,

Excellency Dato Dr. Amin Liew, Minister at the Prime Minister’s Office and Minister of Finance and Economy II of Brunei Darussalam,

Excellency Tengku Zafrul Aziz, Minister of International Trade & Industry of Malaysia,

Excellency Alfredo E. Pascual, Secretary of Trade and Industry of the Philippines,

Excellency Dr. Armida Salsiah Alisjahbana, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP,

Mr. Arsjad Rasjid, Chairman of the ASEAN Business Advisory Council (ASEAN-BAC) and Members of ASEAN-BAC,

Excellencies, Ministers, Heads of ASEAN Investment Promotion Agencies and their respective representatives,

Distinguished Speakers, Participants, Ladies and Gentlemen,

A very good morning to all Excellencies and ladies and gentlemen. First of all, I would like to express my appreciation to the Ministry of Investment of the Republic of Indonesia, Indonesia Investment Coordinating Board (BKPM) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), as well as the World Association of Investment Promotion Agencies (WAIPA) and Bloomberg, for co-organising this prestigious event of ASEAN Investment Forum (AIF). This is an important moment before the 43rd ASEAN Summits and Related Summits taking place next week. I am grateful for the opportunity to address all Excellencies, ladies and gentlemen at this Forum.

The convening of this Forum is timely. Achieving the Sustainable Development Goals (SDGs) by 2030, of which timeline is getting closer by the day, is an essential mandate that all countries in the world shall strive to, given its fundamental importance for humanity. For ASEAN, sustainability is one of the high priority cross-cutting agenda across all three pillars of ASEAN Community.
The COVID-19 pandemic had further driven ASEAN to adopt a comprehensive, forward-looking and structured approach to address sustainability in ensuring that the region emerges stronger, more resilient and greener. To-date, there have been several critical initiatives related to sustainability within the ASEAN Economic Community (AEC) process alone, in particular the adoption of Framework for Circular Economy for the ASEAN Economic Community in October 2021 and the ASEAN Leaders’ Declaration on Developing Regional Electric Vehicle Ecosystem in May this year. I think this is one of the major outcomes of the 42nd ASEAN Summit in Labuan Bajo. Tomorrow, the ASEAN Economic Community Council will adopt the ASEAN Strategy on Carbon Neutrality, which provides a comprehensive roadmap consisting of eight strategies for ASEAN to transition towards a carbon-neutral future.

Excellencies, Ladies and Gentlemen,

ASEAN is the top recipient of Foreign Direct Investment (FDI) in the developing world, standing at USD 224 billion last year, surpassing the FDI in China for the second consecutive year. The region’s share of global FDI expanded from less than 15% in 2021 to more than 17% in 2022. All these developments took place against the backdrop of a challenging global economic landscape, with total FDI flows falling by 12% in 2022, given a multitude of international crises and challenges, including geopolitical tensions, high inflation rates, and debt pressures in many countries.

Within the immediate term, ASEAN’s outlook remains positive, underpinned by international supply chain restructuring that favours the region as the preferred destination, thanks to the persistent efforts of ASEAN in advancing its economic integration while maintaining its unwavering commitment to an open, inclusive, and rules-based trading system. These heartening developments shall not make us complacent and continue to go ‘business as usual’. Going forward, there remain critical challenges that could temper ASEAN’s further growth, especially the global economic uncertainties, food and energy crises, and weaknesses of financial institutions. Therefore, agility, responsiveness and adaptability are vital for ASEAN to stay ahead and relevant, especially in light of the global shift towards a more sustainable consumption and production.

Taking this opportunity, I would like to share the following thoughts and proposals for your consideration during this forum:

First, it is imperative for ASEAN to facilitate an investment that address climate change as a cohesive bloc to maintain our competitiveness. Intra-ASEAN investment projects shall be intensified to support each other in achieving the SDGs. To this end, I encourage stronger multiple stakeholders engagements to identify and undertake projects that leverage on the complementarities among ASEAN Member States, which could be facilitated through the Framework for ASEAN Industrial Project-Based Initiative (AIPBI) mechanism. Such collaborative approach will benefit our investors from the large-scale deployment of sustainable solutions across the entire region.
Second, we should prioritise regional investment initiatives in green industries such as renewable energy, nature-based solutions for agriculture, electronic vehicles, and other cutting-edge green technologies in order to realise the low-carbon future of ASEAN.

Third, a common regional approach to foster an enabling environment for green investments, aligned with ASEAN’s Carbon Neutrality Strategy, is pivotal in shaping a forward-looking sustainable investment strategy. I look forward to the development of ASEAN Sustainable Investment Guideline by ASEAN officials as a deliverable for next year, as tasked by the ASEAN Investment Area Council two weeks ago. Next year, it will be under the Chairmanship of Lao PDR.

*Excellencies, Ladies and Gentlemen,*

This ASEAN Investment Forum offers a valuable opportunity for policymakers, business leaders, academia, and various other stakeholders to discuss and deliberate the synergy between investment policies and ASEAN’s sustainability agenda in order to maintain ASEAN’s economic development in a sustainable manner. Within this context, I sincerely hope that Excellencies Ministers and distinguished speakers can exchange and share your perspectives, experiences, best practices and lessons learned among each other, because ASEAN is about caring and sharing your valuable inputs which will undoubtedly guide ASEAN towards translating our collective vision into tangible and impactful actions that promote sustainable investments throughout our region.

With this, I wish all of Your Excellencies, ladies and gentlemen a fruitful and successful conference. Thank you very much.

*****