

Host



Cohost



DATE

**06 SEP
2023**

TIME

09.00 - 16.40 hrs.
(BANGKOK LOCAL TIME/UTC+7)

VENUE

ATHENEE CRYSTAL HALL, 3rd FLOOR,
**THE ATHENEE HOTEL,
BANGKOK**

SOUTHEAST ASIA

TRADE AND DEVELOPMENT FORUM

CONQUERING THE POLYCRISIS CHALLENGES

Frontier Technologies

**Digital
Inequality**

Information
Infrastructure

Cybercrime and
Cyber Insecurity

Disasters of
Mass Destruction

State Collapse

Intestate Conflict

Interstate Conflict

Climate Change

Natural Resources
Crises

Social Cohesion

Infectious Diseases

Employment Crises

**Economic
Downturn**

Supply Chain

**Cost-of-Living
Crisis**

PROCEEDINGS REPORT

“Conquering the Polycrisis Challenges”

Trade and Development SEA Forum 2023

6 September 2023 at 9.00 – 17.00

at the Athenée Hotel Bangkok

“Conquering the Polycrisis Challenges” explores the impact of multiple crises and potential strategies for experts, policy makers, and stakeholders from Southeast Asia region to develop collaborative mitigation approach on international trade.

TABLE OF CONTENTS

	Page
OPENING REMARKS	6
Prof. Dr. Somkit Lertpaithoon Chairman of the Board International Institute for Trade and Development	
I. EXECUTIVE SUMMARY	8
II. FORUM BACKGROUND	10
III. FORUM OBJECTIVES	10
IV. NAVIGATING GEOPOLITICAL TURBULENCE AND PERSPECTIVES ON REGIONAL TRADE AND ECONOMIC PROSPECTS	11
V. KEY FINDINGS OF WORLD INVESTMENT REPORT 2023	15
VI. PANEL DISCUSSION	
Panel 1: Embracing Complexity: How MNCs Confront and Overcome Polycrisis Challenges	18
Panel 2: International Trade Opportunities in a Decarbonized Economy: Driving Sustainable Growth	21
Panel 3: Thriving in a Time of Crises: Leveraging Digital Transformation for Success	24
VII. KEY TAKEAWAYS: Transformative Thinking and Scenario Planning	26
VIII. CONCLUSION / CLOSING REMARKS	28
IX. EVENT PROGRAM	30
X. HONORABLE SPEAKERS AND PANELISTS	34

ABBREVIATIONS

AI	Artificial intelligence
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
BCG Model	Bio-Circular-Green Economic Model
BRICS	A grouping acronym referring to the developing countries of Brazil, Russia, India, and China, which are identified as rising economic powers, plus South Africa that predicted to collectively dominate the global economy by 2050
CE	Circular Economy
CBAM	Carbon Border Adjustment Mechanism
CP Group	Charoen Pokphand Group
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
ESG	Environmental, social, and governance
ETS	European Union Emission Trading System
EU	European Union
EVs	Electric Vehicles
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
FTI	The Federation of Thai Industries
FTI-X	Renewable Energy and Carbon Credit Trading Platform
GDP	Gross Domestic Product
GVC	Global Value Chain
ITD	International Institute for Trade and Development
LDCs	Least Developing Countries
MNCs	Multi-national corporations
MSMEs	Micro, Small and Medium-sized Enterprises
NAMA	Nationally Appropriate Mitigation Actions
PTT GC	PTT Global Chemical Public Company Limited
RE	Renewable energy
SEA	Southeast Asia
SCG	Siam Cement Group
SDG	Sustainable Development Goal
SMEs	Small and Medium-sized Enterprises
TGO	Thailand Greenhouse Gas Management Organization
T-VER	Thailand Voluntary Emission Reduction Program
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCAP	United Nations Economics and Social Commission for Asia and the Pacific
USA	United States of America
WTO	World Trade Organization

OPENING REMARKS



*Prof. Dr. Somkit Lertpaithoon
Chairman of the Board, ITD*

Distinguished guests, delegates, and participants

Southeast Asia, a region known for its rich history, vibrant cultures, and remarkable economic growth, has become a hub of global attention. Today, as we convene this Southeast Asia Trade and Development Forum, we recognize the tremendous potential that resides within these nations – potential that can not only drive the prosperity of the region but also contribute significantly to the global economy.

I am truly delighted to welcome you all to this prestigious forum, where we have gathered to deliberate on a theme of utmost importance: "Conquering the Polycrisis Challenges." In a world shaped by ever-evolving dynamics, our ability to adapt, innovate, and collaborate becomes paramount. Today, as we face a convergence of crises, we must seize the opportunity to forge a new path toward sustainable trade and development.

The term "polycrisis" captures the complex challenges that confront us - from environmental degradation and economic disparities to global health emergencies and geopolitical tensions. These crises transcend borders and affect every facet of our lives, underscoring the interconnectedness of our global community. However, it is precisely in times of adversity that humanity has historically risen to the occasion, showcasing remarkable resilience and resourcefulness.

Our collective response to these polycrisis will define the trajectory of our world for generations to come. It requires a bold reimagining of trade and development, one that fosters not only economic growth but also social equity and environmental stewardship. As we embark on this journey, three key principles should guide us:

- **Inclusivity** must be at the heart of our efforts. Trade and development initiatives should not exacerbate existing inequalities. Instead, they should uplift marginalized communities, empower women entrepreneurs, and ensure that the benefits of progress are shared fairly. By nurturing an environment where everyone can thrive, we strengthen the very foundations of sustainable development.
- **Innovation and technology** will be our allies in conquering these challenges. From digital platforms that democratize access to markets, to green technologies that mitigate climate change, our ability to harness innovation will determine our success in navigating the polycrisis landscape.
- **Collaboration** is non-negotiable. No single nation or entity can triumph over these complex challenges alone. We must foster robust partnerships that transcend borders, bringing together governments, international organizations, the private sector, and civil society. By pooling our expertise, resources, and experiences, we can develop holistic solutions that address the difficult web of issues we face.

Our world is at a crossroads. I believe that, as history has shown, our resilience knows no bounds. Our capacity for innovation is boundless. Our commitment to collaboration is unwavering. Together, we

can outline strategies that not only address the immediate challenges but also lay the groundwork for a future that is prosperous and sustainable.

In conclusion, I extend my gratitude to each of you for being a part of this critical dialogue. Our journey to conquer the polycrisis challenges begins here, and it is my sincere hope that the ideas exchanged during this forum will echo far beyond its conclusion.

Prof. Dr. Somkit Lertpaithoon
Chairman of the Board, ITD

I. EXECUTIVE SUMMARY

The International Institute for Trade and Development (ITD) is honored to announce an annual Southeast Asia Trade and Development Forum 2023 on the theme of “Conquering the Polycrisis Challenges”. The forum’s objective is to explore the polycrisis concepts and situations, the perspectives on regional trade and economic aspects from relevant experts, and potential means to embrace their impacts through decarbonizations, collaborations, innovative solutions, and building a more resilient and sustainable regional trade ecosystem. Ultimately, the organizer is hopeful for the participants to achieve the formulation of policy recommendations, the establishment of collaborative initiatives, and the development of actionable strategies to address the challenges posed by the polycrisis.

During this forum, experts, policymakers, and stakeholders from the Southeast Asia region come together to share insights, exchange ideas, and develop collaborative approaches to mitigate the adverse effects of the polycrisis on international trade. The key areas of focus include trade resilience, multilateral cooperation, sustainable trade, and digital transformation. To these matters, the honorable speakers and panelists have kindly provided visions, perspectives, and potential solutions as follows:

- Many factors are influencing global trade and economy such as geopolitical tensions impacting Hong Kong and China, transboundary war between Russia and Ukraine, shifting in demographic patterns, emerging opportunities and challenges for Southeast Asia, shifting in labour market demand in the aftermath of the pandemic, and technological advancements.
- It is recommended that we need to prioritize resources, foster collaboration and coordination across the international community, invest in long-term economic measures to build resilience, share knowledge, resources and best practices. Flexibility, adaptability, and a multi-dimensional approach will be crucial elements in navigating the path towards economic prosperity for all.
- However, the World Investment Report 2023 reveals a significant finding that the developing countries are the destination of 75% global FDI and 25% goes to the developed countries. The developing countries are more FDI attractive than the developed countries and the inflow of investment to the Southeast Asia region keeps increasing. In 2022, it reached a historic high at USD 220 billion, increasing from 5.7 percent to 17.3 percent within 7 years.
- The benefits of FDI tend to generate employment and technological transfer, (2) Most of the manufacturing countries are the recipients. The FDI ensures stable investment as it is for capital-intensive industry, and (3) it has a great potential for upgrading along the value chain through upgrading to a high value-added infrastructure.

When the fundamental business model has been challenged by the age of internet and AI solutions, the companies focus on strengthening their domestic market prior to expanding their territories to other countries, locating production bases in the countries of emphasis, strengthening global supply chain networks, offering innovation in products and solutions, conducting capacity building to existing workforce, improving their IT skills and platform, as well as finding potential opportunities for merger and acquisition. Resilience is the answer. Staying competitive is necessary. The companies must use technology, reserved cash, production effectiveness, cutting costs, and leveraging outputs using AI.

Small and medium enterprise is exceptional. it is a huge challenge for them to adapt and adopt new business models during the crisis. It requires technical and financial assistance from the government to help rejuvenate their businesses. Besides calculating the economic and financial situation of the companies, the sustainability approach also calls us to revisit the social aspect as a core value to the business model as well. During the crisis, business resilience and growth are possible by producing and/or donating market-driven products such as sanitary masks, transforming portfolios into greener supply chains and products, as well as acquiring new ventures such as renewable energy businesses. Sustainability is the core of today's business model. Through regional collaboration, the Southeast Asia region has the potential in sustainable investment, especially in EVs, renewables as well as transition-related technologies that would unlock the small and medium sized enterprises to grow inclusively. ITD has a pool of experts who can explore research platforms, and merge collaborative projects that aim at addressing today's and tomorrow's challenges ahead.

Therefore, ITD shall work with neighboring countries to enhance regional supply chains, making room for the growth of small-scale manufacturing facilities and services in the region, by applying innovation and technology to improve competitiveness and pay attention to green supply chain development, access to funding, improving international trade facilitation as well as driving the utilization of international agreement for mutual benefits of all parties.

II. FORUM BACKGROUND

Our world has recently faced a period of significant global change and crisis. Not only, is an acceleration of climate change, extreme weather events, and environmental degradation, but we are also living in the middle of a global pandemic, a war in Europe, geo-political tensions, high inflation, and a cost-of-living crisis, energy supply and trade disruption, and food insecurity. These multiple and overlapping crises are what we define its term as “polycrisis” (a new global buzzword). The World Economic Forum’s Global Risks Report 2023 uses the term, to explain how, “present and future risks can also interact with each other to form a ‘polycrisis’ – a cluster of related global risks with compounding effects, such that the overall impact exceeds the sum of each part”. These interconnected challenges and crises are not being experienced by countries in isolation, but they are problem of the global commons, which cannot be solved by individual countries.

In light of the complex and interconnected challenges facing the global and regional economy, the Southeast Asia (SEA) Trade and Development Forum aims to facilitate a constructive discussion on the impact of multiple crises on international trade and explore potential strategies. During this forum experts, policymakers, and stakeholders from SEA came together to share insights, exchange ideas, and develop collaborative approaches to mitigate the adverse effects of the polycrisis on international trade. The key areas of focus include:

- **Trade Resilience:** Assessing the vulnerabilities and risks associated with the polycrisis and exploring ways to enhance the resilience of global trade systems. This involves discussing mechanisms to diversify supply chains, strengthen digital infrastructure, and promote inclusive trade policies
- **Multilateral Cooperation:** Recognizing the importance of international cooperation and the role of multilateral organizations in addressing the polycrisis. Speakers discuss ways to strengthen global governance, enhance coordination among nations, and reinforce the rules-based trading system
- **Sustainable Trade:** Exploring the intersection between the polycrisis and sustainability goals, focusing on climate change. Discussions revolve around promoting sustainable trade practices, green technologies, and inclusive economic growth
- **Digital Transformation:** Examining the role of digitalization in navigating the polycrisis and unlocking new trade opportunities. Panelists discuss the challenges and opportunities associated with the use of digital technologies

The outcomes of the forum on Polycrisis would ideally include the formulation of policy recommendations, the establishment of collaborative initiatives, and the development of actionable strategies to address the challenges posed by polycrisis. These outcomes then would serve as a guideline for governments organizations, and stakeholders in navigating the complexities of international trade amidst multiple crises.

III. FORUM OBJECTIVES

Purpose of the regional forum:

1. To exchange information, perspectives, visions, and experiences on businesses, international trade, and investment with key experts from public and private entities, international organizations, and other stakeholders in the field of business, international trade, and investment
2. To acquire concepts, thoughts, and economic policy framework for the Southeast Asia region
3. To propose policies and actions that will support better trade and business environment for Southeast Asia region and deliver relevant policy recommendations for all government entities in the region
4. To strengthen knowledge for promoting a new economy that aligns with the Bio-Circular-Green Economic Model (BCG Model) for the region
5. To promote and strengthen new economic system that suits with Sustainable Development Goals such as SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), SDG 10 (Reduced Inequalities), and SDG 11 (Sustainable Cities and Communities)

The ultimate outcomes that include the formulation of policy recommendations, the establishment of collaborative initiatives, and the development of actionable strategies to address the challenges posed by the polycrisis.

IV. NAVIGATING GEOPOLITICAL TURBULENCE AND PERSPECTIVES ON REGIONAL TRADE AND ECONOMIC PROSPECTS



Mr. Bernard Charnwut Chan
Chairman and President, Asia
Financial Holdings Limited

Through these present economic crises, many factors influence global trade and economy such as geopolitical tensions impacting Hong Kong and China, the transboundary war between Russia and Ukraine, shifting in demographic patterns, emerging opportunities and challenges for Southeast Asia, shifting in labour market demand in the aftermath of the pandemic and technological advancements. I encourage the imperative of persistent collaboration through joint solutions to address the most pressing challenges.

What is the polycrisis? The standard meaning of the poly crisis is “the simultaneous occurrence of several catastrophic events”. At this moment, we find ourselves at this convergent of such profound challenges and crises extending beyond national boundaries. This issue encompasses not only the acceleration of climate change, extreme weather events, and environmental degradation, but also the aftershock created by the global pandemic and also ongoing war in Europe, numerous areas of conflict around the world, the ever-increasing geopolitical tensions, high inflation, cost of living crisis, energy supply and food safety issue, and of course, trade disruption and more.

So, what most of us here today is to realize that it is crucial to recognize that these multi-facets challenges affect all of us and can most effectively be addressed by a collective action and a genuine will to find practical solutions through collaboration. I am humbled to be in the presence of such numinaries covering the academic, business, and policy spectrum. To be honest with you all, I have more questions for our distinguished panelists and audience members than any immediate answers or solutions.

Key factors influencing the regional and indeed the global economy

1. Situations of China

The global economic downturn has hammered economic activity adversely affected the manufacturing sector in China and led to a decline in exports. China is not the only nation facing this challenge as the slowdown in global manufacturing activity is impacting the growth across the East Asia region. The COVID-19 re-emergence in China has a more negligible impact on boosting the economy than other major economies. The economic outlook, the labour market conditions, and the sluggish growth in real disposable income limit consumer spending.

Youth unemployment surged to 21.3% in June, adding to the concern. However, the government has indicated that it will not release further youth unemployment data as precise definitions and data collection processes are under review so as to provide more detailed and accurate information which they can better work with.



Figure 1: A residential complex constructed by Evergrande in Huai'an, Jiangsu, China, on July 20, 2023

Credit: CNBC

China's struggling property market has seen house prices decline resulting in reduced sales and weak real estate investment. Indebted real estate developers like China Evergrande are already in default and undergoing one of China's largest-ever debt restructuring. The group is in debt of more than 300 billion US dollars and it is expanding aggressively to become one of the country's largest companies.

Most recently, fear grows over a potential default by another of the largest real estate developers, City Garden, who reported a record of 6.7 billion US dollar loss for the first six months of the year and missed the interest payment on bond. Now it affects the economy and has profound implications for government spending as most local authorities rely heavily on revenue from land sales to finance their expenditure. In response, the authorities are gradually implementing measures to support the economy and address the challenges in the property sector.

Commercial real estate loan default has the potential to trigger a systemic credit crunch as many other regional banks are heavily exposed. Much of that crisis in China evolved around consumer's confidence, and consumer's spending is in decline which is fueling the deflation. We are certainly seeing this in the property market and the lack of clarity on the government's plan exacerbates the problem. Now compounding the problem dual political tension between China and the U.S. has increased. The public perceives China is on a wall footing and preparations are underway to invade Taiwan. Such perception increases public tension and fear of imminent military conflict.

Hong Kong is in the fine line by default. As a result, many businesses are already suffering collateral damage. Investors are increasingly nervous due to the restless media driven by those in the system with a vested interest in weakening China. We are seeing some investors being forced to withdraw from Hong Kong and China to mitigate against the potential risk of the conflict and of course the ever-present factor of sanction. As a result, there are opportunities for countries in Southeast Asia as the process of decoupling from China which has been forced by certain governments continue unabated.

China Plus Two is the strategy employed by companies that traditionally rely heavily on manufacturing or sourcing from China. This so-called plus two reflects the belief that no one country or location can substitute China and reduce sourcing in there to below 50% of that requirements in order to mitigate the impact from factors such as trade disputes, sanctions, rising labour costs, or supply chain disruptions. So, countries like Thailand, Malaysia, and Vietnam have emerged as attractive manufacturing destinations due to lower labour costs and improved infrastructure. Hong Kong is still valuable and plays a vital role in relations between China and its regional neighbors.

While we understand that there are differences in opinions, but collectively we must focus on common challenges particularly the major problems that affect most of us, which will benefit from the efficiencies and the power or much closer collaboration.

2. Aging populations

The declining birth rate and the increasing life expectancy pose opportunities and challenges for the countries in the region. The related challenges are unquestionably best addressed by countries working more closely together to reduce the financial burden and increase efficiency.

Increased life expectancy has led to an increase prevalence of age-related health issues such as chronic conditions (e.g., cardiovascular diseases, diabetes, and cancer) are becoming more prevalence among elderly society. This put more pressure on the health care system, reducing the adequate medical facilities, infrastructure, and the healthcare services to cater to the specific needs of the older individuals. These changes have significant social and economic implications. As the proportion of elderly individuals increases, there is a potential decline in the working age population which can adversely affect the supply, the economic productivity, and the social security system. Adequate healthcare facilities affordable and accessible healthcare services, specialized geriatric care, and

community-based support systems are essential to ensure our older individual's well-being and quality of life.

The government must address these challenges through policies promoting an active aging workforce, equal participation, sustainable pensions, and social protection system. These issues provide various opportunities across the different private sectors whose support is essential. By participating, they will contribute to the outcomes, and that will provide the local communities, society, and shareholders value.

3. Job creation in the post-pandemic era

Massive changes are taking place. Technological advances are significantly altering the job market by automating tasks that people previously performed. These technologies can perform tasks faster, more accurately, and at a cheaper cost. Advanced technology also has the potential to create new employment opportunities. For instance, the rise of the internet has created new jobs (e.g., web developer, data analyst, social media manager, and others). The pandemic introduces the concept of working from home or negotiate for fewer working days, which creates challenges for employees who are keen to create a robust corporate culture or identity.

4. Climate change and natural disasters

On the other hand, climate change and global warming have become urgent but unresolved issue. Every day more natural disasters occur in areas often untouched. The notion of the net-zero emission gained prominence with the adoption of the Paris Agreement in 2015, in which we are still far from the scale and the pace of the emission reduction required to put us on track towards that 1.5 degree Celsius. To keep this ambitious goal alive, national governments need to strengthen their climate action plans now and implement them by 2030.

The idea behind carbon neutrality is that the emissions reduced through mitigation efforts should balance out the emissions still being released by achieving a net zero carbon footprint. The entity in question aim to have no additional impact on the overall concentration of the greenhouse gases in the atmosphere. Currently, fossil fuels are still the most significant contributor to global climate

Navigating out of the global economic and trade crises

- Prioritise resources
- Foster collaboration and coordination across the international community
- Invest in long-term economic measures to build resilience
- Share knowledge, resources, and best practices
- Flexibility, adaptability, and a multidimensional approach

change, accounting for over 75% of global greenhouse gas emissions and nearly 90% of all carbon dioxide emissions.

Now, the global economic crisis and the limited progress have forced us to reassess the viability of a net zero carbon footprint. Many have suffered especially those in lower or no income categories, and many business sectors such as the insurance industry where cannot continue providing protection as the carbon emission is too high. If carbon neutrality is a realistic solution to the problems that we are facing and leaving debts to future generations to do it, collective solutions or actions from the international, public, and private sector are urgently required. The poly crisis is greatly affecting the global economy and placing stress and strains on a highly unknown scale for the public and private sectors.

How do we navigate out of this current economic and trade turmoil?

The international community needs to be cautious and apply sensitive fiscal controls with moderate but sufficient monetary easing to stimulate growth and avoid overburdening the economies with debt. Printing more money is often a short-term tactic that will leave others with problems to overcome further down the line. So, there is a need to prioritize resources, foster collaboration and coordination across the international community, invest in long-term economic measures to build resilience, and share knowledge, resources, and best practices. Flexibility, adaptability, and a multi-dimensional approach will be crucial elements in navigating the path towards economic prosperity for all.

However, there are various other topics for further debate:

- ❖ Do we have the ability to identify, isolate, and the leadership to overcome climate change and global warming?
- ❖ How will the rapidly increasing number of refugees from conflict and climate change shape our future?
- ❖ How are we dealing with the weaponizing of the US dollar and the move towards alternative payment systems?
- ❖ Do the solutions to some of the polycrisis challenges lie within AI and Big Data?
- ❖ Where are the opportunities for Southeast Asian countries in the development of the BRICS bloc?

V. KEY FINDINGS OF THE WORLD INVESTMENT REPORT 2023

The UNCTAD World Investment Report 2023 provides insights into the challenges and opportunities that can help policymakers, businesses, and investors navigate and adapt to the complex and interconnected nature of crises. By analyzing data, trends, and policy recommendations provided by



*Dr. Bruno Casella
Sr. Economist, Investment and
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the report, stakeholders can surely gain a better understanding of the polycrisis, resilience of investment flows, and the potential implications for sustainable development.

The global trend of FDI and how it relates to the global polycrisis

The report shows that global foreign direct investment (FDI) fell 12% in 2022 and analyses how investment policy and capital market trends impact investment in the SDGs, particularly in clean energy.

The orange line represents global FDI flow into developing countries. In 2010 and 2020 when the global financial crisis and COVID-19 occurred, the trends appeared similar with a small drop, with a relatively low growth rate within 10 years prior to both crises (1990 – 2000 and 2010 – 2020), and bounced back during the aftermath. This is the story of resilience. Before 2010, the investment to developing countries was growing at an annual rate of 10 – 15 percent. For the developed countries, the grey line shows that during the last 10 years, the line tends to drop down. This confirms the uncertainty in globalization. The green line of the global FDI shows that the reaction to the polycrisis has massive increase in investment volatility especially during the last 10 – 15 years. That means there is a huge uncertainty.

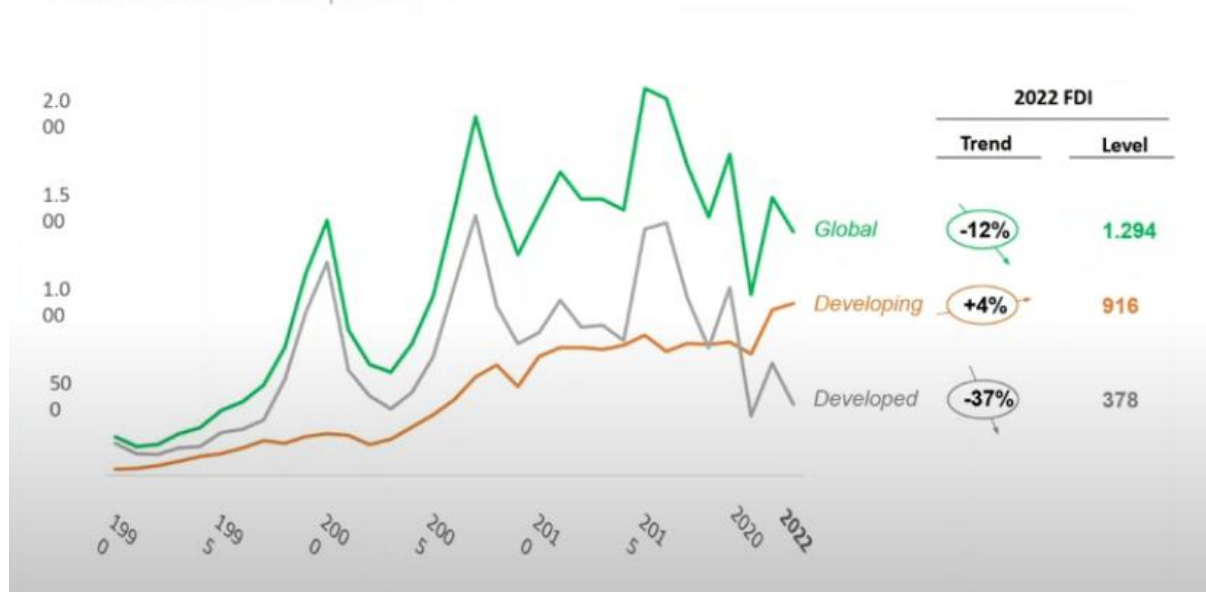
Because of these trends, the analysis reveals a significant finding that the developing countries are the destination of 75% global FDI and 25% goes to the developed countries. The developing countries are more FDI attractive than the developed countries. Inflow investment to the Southeast Asia region keeps increasing. In 2022, it reached a historic high at USD 220 billion, increasing from 5.7 percent to 17.3 percent within 7 years. The level of investment within the region has doubled from USD 170 billion to USD 225 billion. The only huge decline to USD 120 billion was happened during the COVID-19. The reasons are from a business-friendly environment, stronger regional integration, an and important manufacturing base.

In 2022, the region's manufacturing FDI rose to a record level of USD 62 billion, following a +400% growth in 2021 while the manufacturing share went from 9% in 2020 to 26% in 2021 and 28% in 2022. Electronics and EV segments are the main sectors receiving FDI support. Greenfield's investment in batteries alone rose by 656% in 2022 to USD 8.5 billion. Electronics and electrical industries account for more than 70% of announced greenfield manufacturing investment (USD 37 billion) in 2022.

Why FDI is good to the recipient countries (1) FDI tends to generate employment and technological transfer, (2) Most of the manufacturing countries are the recipients. The FDI ensures stable investment as it is for capital intensive industry, and (3) it has a great potential for upgrading along the value chain through upgrading to a high value-added infrastructure.

Global FDI flows declined in 2022 to \$1.3 trillion, down 12 per cent, as a result of the global polycrisis


Billions of dollars and percent



According to the World Investment Report 2023, the annual investment gap to reach the Sustainable Development Goals (SDGs) is USD 4 trillion per year – up from USD 2.5 trillion in 2015 when the SDGs were adopted, out of which USD 2.2 trillion annually (more than half of the USD 3.6 trillion aggregate GDP of this region). This refers to investment in energy generation, energy efficiency, and low-carbon transition technologies and sources. Therefore, certain policy changes and new development modalities must be released to support those changes. Large gaps also exist for water and transport infrastructure.

The three policy priorities that are expected to be released in the next years are: the restructuring of global value chain (GVC), international tax reforms, and green transition. These policies bring about new challenges and at the same time opportunities.

1 GVC restructuring will bring further opportunities for ASEAN


Implications for ASEAN	Policy enablers
<div>  <ul style="list-style-type: none"> Traditional GVC intensive offshore model under threat Diversification, reshoring, regionalism, triggered by geopolitical tensions and future pandemic-like disruption </div>	<ul style="list-style-type: none"> 2 out of 3 scenarios favorable: <ul style="list-style-type: none"> Diversification favors ASEAN as a relocation hub, at least in medium term Regionalism motivates investors to expand productive capacities, establish stronger regional footholds and reinforce supply chains in ASEAN Reshoring a major threat
	<ul style="list-style-type: none"> Effective communication of regional development, complementarity locational benefits, synergies, and emerging prospects to potential investors Accelerate the implementation of ASEAN Investment Facilitation Framework. Facilitate sourcing and movement of inputs regionally Engage proactively in ASEAN investment events and those like the UNCTAD World Investment Forum

The crisis from hyper-globalization which the multinational enterprises have brought during 1990s and 2000s caused fragmentation in their global production in many processing modules and located these different modules in many locations around the world to capture the benefits of economies of scale and labour cost differences. This traditional GVC-intensive offshore model is considered risky from the supply chain risk management perspective because it

tends to concentrate activities in a few hubs and some of these hubs can be in geopolitical unfriendly locations. Three trajectories of potential replacement of such model namely diversification,

regionalization, and reshoring are therefore recommended to prevent disruption from geopolitical tensions and the future pandemic occurrence.


2 Global minimum tax will affect investment promotion strategies

	Implications for ASEAN	Policy enablers
 <p>Global minimum tax of 15% per cent on income generated by FDI will affect almost all recipient countries, limiting use of fiscal incentives to attract investment</p>	<ul style="list-style-type: none"> • Need to reconsider corporate taxation and incentive system • Implications on SEZs and FDI promotion • Other FDI determinant gaining prominence 	<ul style="list-style-type: none"> • Raise awareness and assess potential impact on attractiveness for international investments. • Review FDI promotion policies and SEZ programs/explore further avenues beyond tax measures to encourage investment. • Carry out a review of IIAs to assess the risk of disputes arising from the implementation of the global minimum tax.

The Global minimum tax can affect this region because this region often initiates tax incentives to attract investors, which is around 14% compared to the global minimum tax of 15% on income generated by FDI. As a result, multinational enterprises will be forced to pay more. In addition, there are many special economic zones particularly in Malaysia, the Philippines, and Thailand that introduce tax incentives. These interventions shall be forced for international tax reforms

through the assessment of dispute risks and exploring other avenues beyond tax measures to encourage investment.

3 International investment in energy transition picking up

	Implications for ASEAN	Policy enablers
 <p>Sustainability imperative to accelerate investment in green transition; FDI in renewables already on steep rise but still huge investment gap to fill</p>	<ul style="list-style-type: none"> • International investment in energy transition in ASIA is on the rise; booming investment in EV manufacturing • Major opportunities going forward: renewables, transition-related technologies and equipment manufacturing, EV • Major scope for private investment 	<ul style="list-style-type: none"> • FDI policies spanning the entire renewable energy supply chain • Investments in renewable technologies and their integration into manufacturing. • Promote private engagement, including international investment, in the development of eco-industrial parks, eco-SEZs, and environmentally conscious data centers. • Strengthen the regional power pool and foster cross-border cooperation for renewable electricity trade.

For the energy transition, the investment will focus more on sustainable energy production. Particularly in this region, the green energy transition involves a long value chain, not only solar and wind power production, but also the production of electricity grid, batteries, and other technologies and their integration into manufacturing that this region can play a vital role.

VI. PANEL DISCUSSION

Panel 1 Embracing complexity: How MNCs confront and overcome polycrisis challenges

This session presents MNC's best practices on how they survive in an uncertain regulatory environment, adapt to shifting market conditions, address sustainability issues, and embrace emerging technologies and how effective risk management, collaboration with stakeholders, and agility in responding to polycrisis are crucial and important for MNCs to thrive in this complex environment.

Representatives from CP Automotive and Industrial Business, PTT Global Chemical Plc., and Siam Cement Group (SCG) International have shared their opinions regarding their experiences, challenges, and how to overcome polycrisis as follows:

Case I: SCG International

Siam Cement Group or SCG has been one of the largest conglomerates located in the ASEAN region for 110 years. The group has been growing steadily through the application of digital technology and the development of innovative solutions. The group's mission is to make everyone live in a better world through the application of its six solutions that are: energy transition, health and medical solutions, digital logistics and supply chain, green solutions, smart living, and artificial intelligence (AI) solutions. These solutions are offered through three core businesses: chemicals, packaging, cement, and building materials.

Since 1978, SCG International has been 40 years in the trading business as a subsidiary of the SCG Group. The company manages the international supply chain for businesses in 20 countries by providing a comprehensive range of products and supply chain solutions, business expansion solutions, and green business solutions with expertise along with digital information.

A Trusted International Supply Chain Partner

20 Global Business Presences Worldwide



During its 40-year operations, SCG International faces both internal and external obstacles. The fundamental trading model has been challenged by the age of the internet. Information gaps where people desire to receive information instantly urge us to create a new value.

- In 2019, SCG rebranded its trading business to become SCG International with a realization of establishing production bases in every recipient country, rather than having a sole center in Thailand for production, but delivering goods and services to customers through supply chain partnership networks and their supply chain entities in those 20 countries.
- Disruptions have happened and caused the SCG International damages on freight and shipping crisis. When the demand of goods hike, the cost of freight shipping increases, this scenario is not considered satisfactory for the company's customers as their total cost increases and lessens their competitiveness at the national level. Besides, they somehow suffer from other disruptions such as geopolitical situations and tariff barriers.
- However, in every crisis there is always an opportunity. Operating through supply chain partner networks, SCG International can provide solutions to their partners who formerly

depended on one supply chain partner to receive quality goods and services or their alternatives from other partners in the network during such uncontrollable situations.

- SCG considers the supply chain partnership as a strong pipe with proper solutions tailored for particular countries and resources. For example, a fintech joint venture was created to solve cash flow issue of their supply chain partners. A backward integration was also created to acquire the right products from the right sources. Instead of sourcing all products from Thailand, the company source from the regions and deliver to our customers faster.
- The company also conducted non-oil investments in the Middle East where the property and construction market were booming due to people migration and settlement in that area.

Case 2: PPT GC

PTT Global Chemical (PTT GC) was registered for business operations in 2011. PTT GC is Thailand's largest integrated petrochemical and refining business and a leading corporation in the Asia-Pacific region, both in size and product variety – from petrochemical to biochemical as the world's number one bioplastics producer with over 34 subsidiaries and joint ventures with manufacturing plants and distributors in 29 countries globally with a large scale of operation, GC thrives through lean and process improvement for maximum efficiency.



Through time, the PTT GC has faced multiple challenges similar to other multinational companies such as trade war, disruption to the supply chain, the COVID-19 pandemic, geopolitics situation, and the energy crisis. However, the PTT GC is greatly impacted by the energy crisis due to its nature of business, the higher cost of energy, landscape change (new players, new investment, and China in oil refining business), and imbalance in demand and supply. The trend of sustainability or SDG targets also affects the PTT GC as the company aligns with the Paris Agreement.

- The PTT GC has clear pathways and investment for our “Together to Net Zero” Roadmap to improve quality of life for all with a transition to low carbon business through a three-pillar of

Low Carbon Transition Framework to reduce current greenhouse gas emissions for 20 percent by 2030 on our journey towards achieving Net Zero emissions by 2050.

- The petrochemical sector is one of the main producers of carbon emissions. The company sees this climate change situation as an opportunity to apply the circular economy concept, materiality, and ESG management, as well as governance and risk management in the businesses. In Thailand, the PTT GC applies the BCG principle such as reduction in resources use and 3Rs of materials, using Research and Development in production adaptation, using digital platforms for campaigning, communicating to people, and increasing corporate values. This is not only to satisfy the corporate commitment to the net zero target, but it also assists in responding to other supply chain partners' requirements on their sustainability targets.
- In addition, the PTT GC also utilizes the enabling factors for transformation:
 STEP CHANGE: Renew and look into assets, optimize the supply chain, and assign the right location for the right production
 STEP OUT: During the pre-covid phase, the PTT GC did a major merger and acquisition activity by acquiring a major asset in Europe
 STEP UP: The PTT GC upholds the sustainability principle.
- Resilience is the answer. Staying competitive is necessary. PPT uses technology, reserved cash, production effectiveness, cutting costs, and leveraging outputs using AI. Merger and acquisition is recommended for this period to resolve growth and risk crisis.

Case 3: CP Group

Charoen Pokphand Group has been operating across many industries ranging from industrial to service provision in eight business lines, fourteen business groups, and 21 countries around the world. The eight business lines range from agro-industry and food, retail and distribution, media and telecommunications, e-commerce and digital, property development, automotive and industrial products, pharmaceuticals, finance, and investment. C.P. Group has been integrating the strengths of each business group, in order to sustainably maximize the benefits and deliver the utmost value to the country, people, and then the company.

CP Group adheres to six core values which provide a solid foundation for the Group to grow, with three benefits principles: to the countries we are investing in, their populations, and the company. Therefore, during the pandemic, the management could manage our internal operations without any hassle. For external operations, the company has significantly adapted itself through a crisis as follows:

- The safety masks and their production line construction were created within one month to produce the easiest Covid preventive tool for both employees and people. After 1 month, CP could produce and share safety masks to hospitals and staff. As result, Thailand delivers safety masks to China and other countries. More than 200 safety masks produced and 50 million pieces were donated.
- The shortage of semiconductor chips for vehicles led the company to a challenge where around 1,000 assembled vehicles were waiting unfinished in the production line and could not be exported on schedule. The company resolved this issue by developing a substitute technology that is suitable for Thailand and its customers for use. Afterward, this methodology was replicated in other businesses too. Therefore, the business is not 100% reliant on either its production line or partners.

- For food business, food has always been continuously demanded by everyone on a daily basis while the standards of production are strongly tight, especially during COVID-19. Food business performance became negative but the company realized the significance of their contribution to society, especially as a food producer.
- For society, the CP Group has continuously reported its achievements in three areas: the net zero emission, the food waste, and social inequality in education which is ongoing for all ethnic groups. In the future, CP Group aims for sustainability in businesses.

Panel 2: International trade opportunities in a decarbonized economy: driving sustainable growth

This session explores the impact of climate change on international trade and discusses the role of trade policy and international cooperation in supporting climate change adaptation strategies for Southeast Asia.

Representatives from the Ministry of Commerce, Thailand, the Federation of Thai Industries, the EU Delegation to Thailand, Thailand Greenhouse Gas Management Organization (TGO), and the UNESCAP have shared their opinions regarding their experiences and thoughts as follows:

According to the World Economic Forum's The Global Risks Report 2023, climate change is listed as the most concerning crisis for the next decade. It is reshaping the region's economic and trade prospects, as it is a major threat to future growth and prosperity. Climate change will surely affect international trade in many ways such as increasing trade costs and production and supply chain disruption.

A. International trade opportunities in a decarbonized economy

Carbon Border Adjustment Mechanism (CBAM)

- EU raises its own climate ambition by raising a climate measure called “Carbon Border Adjustment Mechanism (CBAM)”, a tool to put a fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries. The CBAM will enter into force in its transitional phase as of 1 October 2023, with the first reporting period for importers ending 31 January 2024. It will initially apply to imports of certain goods and selected precursors whose production is carbon intensive and at most significant risk of carbon leakage: cement, iron and steel, aluminum, fertilizers, electricity, and hydrogen.
- Environmental prevention and protection measure often have effects on trade. CBAM will eventually – when fully phased in – capture more than 50% of the emissions in ETS-covered sectors. The objective of this transition period is to serve as a pilot and learning period for all stakeholders (importers, producers, and authorities) and to collect useful information on embedded emissions to refine the methodology for the definitive period.
- During the first year of implementation, companies will have the choice of reporting in three ways: (a) full reporting according to the new methodology (EU method); (b) reporting based on equivalent third-country national systems; and (c) reporting based on reference values. As of 1 January 2025, only the EU method will be accepted. It will be helpful to hear reflections from key stakeholders in Thailand.

- Once the permanent system enters into force on 1 January 2026, importers will need to declare each year the quantity of goods imported into the EU in the preceding year and their embedded GHG. They will then surrender the corresponding number of CBAM certificates. The price of the certificates will be calculated depending on the weekly average auction price of EU ETS allowances expressed in €/tonne of CO₂ emitted. The phasing-out of free allocation under the EU ETS will take place in parallel with the phasing-in of CBAM in the period 2026-2034.
- During the discussion, the EU delegation in Thailand acknowledges that the stakeholders (i.e. private and public sectors) in the Southeast Asia region may have various concerns. Many countries have already had their own measures for implementing carbon tax and trading schemes. The EU CBAM shall give them more confusion and pressure as well as hesitation to immediately commence the implementation as their carbon tax has already been incorporated based on their nationally determined standards. In this regard, further discussion on the carbon tax, joint emission trading scheme, and other issues must happen in order to ensure smooth CBAM implementation with relevant producers, exporters, other private entities, and public authorities.

Supply chain and export-import aspect

- Climate change impact can be heightened depending upon the availability of experiences and data for analysis and decision-making. COVID-19, for example, destroyed the global economy, the impact of which intensively attacked international trade and agricultural products. Commodity transportation became fragmented. In parallel, the Russia-Ukraine war caused a massive impact to even those countries located in distance such as palm oil from Indonesia, poultry export from Malaysia, immediate trade ban on export-import, and more importantly the disincentivizing of domestic commodity prices, as well as decrease in production.

Attempts for energy transition aspect

- The energy transition is not adequately implemented with an ambition to handle the climate change issues. For example, Thailand has a national policy on 4D and IE issued by the Ministry of Energy. It is apparent that only the IE policy has been currently active in the consumption section such as buyers of the electric vehicles market (including EV commercial buses, trucks, cruises, and cars), not the production section.
- Thailand has emitted 223 tons of CO₂ equivalent while only 80 tons of CO₂ equivalent has been recently removed. Technically, the country needs to balance the figures through national climate change mitigation and adaptation policy, plans, and measures to achieve the pledge at COP26. The BCG model is employed to build economic growth, prepare responses to tackle the climate impact, and create opportunities at both national, regional, and international levels.
- In general, the key obstacle is the regulation that often regulates energy transition policy and implementation. Electricity is a good example of regulated energy, instead of deregulated to ensure equal and fair consumption and production, besides fossil fuel power production. Thailand, the country is abundant in fossil fuels and relevant infrastructure. An immediate withdrawal cannot be done, but mitigation measures i.e., how to green the power grid system, the transition to renewable energy (RE) production and use.

B. Bilateral and Multilateral Assistance, Mechanisms and Frameworks on Trade and Climate Change in Decarbonization

In recent years, there have been many bilateral and multi-lateral negotiations on trade development and climate change initiated. For example

- Thailand has been in formal dialogue on plastic waste, pollution, and trade negotiations with the World Trade Organization (WTO) since marine litter and plastic waste are major problems in Thailand.
- Asia-Pacific Economic Cooperation (APEC) provides a broad range of cooperative assistance including capacity building on low-carbon city development, voluntary technology transfer, exchange of experiences and knowledge, and inclusive skill development.
- New trade agreement like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) under the Free Trade Agreement (FTA) has a chapter on trade and sustainable development, as well as environmental protection focusing on raising members' national standards.
- EU Green Deal brings technical and financial assistance to the Southeast Asia region in various areas namely a Mayor for Climate and Energy project with Thailand Greenhouse Gas Management Organization (TGO) in 86 cities to develop climate action plans in response to the commitment to the Paris Agreement, accreditation standards for Thai industry, a model project for low-emission rice production and sustainable farming (or Thai Rice NAMA).
- In forestry, the EU has been working in Thailand to finalize a legalization scheme for deforestation. This includes conducting due diligence on deforestation regulations, goods production in the country of production, system development, analysis of impacts, and the government's adoption by 2024.

However, besides the benefits derived, these mechanisms and frameworks also create tension and challenges for developing countries in initiating domestic trade and development reform. Some measures may push the producers of goods to redirect their trading activities to the areas where their regulations are not stringent. We need to realize that there is a possibility of trade distortion.

C. How ASEAN as a block assist each other in tackling these issues

Southeast Asia is one of the world's most vulnerable regions to climate change impacts such as droughts, floods, typhoons, sea level rise, and heat waves.

- The ASEAN institute and its member states have long been in collaboration to address the issue of climate change and its impacts on socio-economic development, health, and the environment, in ASEAN Member States through the implementation of mitigation and adaptation measures.
- Various frameworks and actions have already been in place such as (1) exchange of information/knowledge on scientific research and development (R&D), deployment and transfer of technology and best practices on adaptation and mitigation measures, and enhancement of human resource development; (2) develop regional strategies to enhance capacity for adaptation, low carbon economy, and promote public awareness to address effects of climate change, (3) develop regional systematic observation system to monitor impact of climate change on vulnerable ecosystems, and (4) conduct regional policy, scientific and related studies, to facilitate the implementation of climate change.
- Concerns lay with small and medium enterprises that cannot adapt themselves timely in RE transition due to financial, technological, and human capital constraints. The Federation of Thai Industries (FTI) has set up a climate change institute to handle these issues by providing

knowledge, capacity building, consultations on carbon credits, and development of a digital platform called the Renewable Energy and Carbon Credit Trading Platform using blockchain (FTI-X) to market carbon credit according to T-VER standards. Other issues that require assistance are technology transfer, financial assistance to developing countries, appropriate R&D and locations,

- In addition, during the discussion, the EU Delegation has also expressed an interest to provide assistance and cooperation with ASEAN member states on initiating any collective action in order to reduce the trade tension and create environmental protection. For example, the CBAM accreditation, the EU Delegation encourages the member states to perform different but globally accepted methodologies as required by their countries for accreditation such as the T-VER program. The agency encourages a non-discrimination approach.

Panel 3: Thriving in a time of crises: leveraging digital transformation for success

This session explores how the digital transformation becomes even more critical for business to survive and thrive. Many experts believe that the challenges presented by multiple crises or polycrisis can be overcome by using digital technologies, which can help organizations operate more efficiently, adapt to changing circumstances, innovate new solutions, and keep up with these never-ending crises

Case I: Aboitiz Data Innovation

*“Don’t wait until the house is on fire and needs a water sprinkler.
We are able to create preparation and resilience.”*

Aboitiz Data Innovation is a consulting firm providing transformative AI consultation and data-driven IoT and sustainability solutions to businesses across diverse sectors. The company has its Headquarters in Singapore, mainly serving clients in banking and financial services, power and smart cities (real estate, airports, construction, land, and food) industries.

The COVID-19 pandemic has made the company rethink its operational process converting from traditional cash-base transactions to the use of digital processing tools and infrastructure. The company foresees the pre-crisis investment as a preventive measure while providing opportunities for the company to demonstrate its leadership by utilizing appropriate technology solutions.

In this digital transformation era, data represents culture. It is necessary for businesses to balance offline and online operational performance to optimize cost and efficiency for their survival, especially when commodity prices keep fluctuating. The fundamental approach is to maximize the outcome of technology, modernization, and artificial intelligence use for the operators and the customers. The key challenge is the connectivity.

Case 2: Thailand e-Business Center (TeC)

IGNITE

International (cross-border trade)

Gamification (customer loyalty)

New products and services (consistently launched)

Innovation (value up your products with patents, trademarks, value add, research)

Technology

Edutainment (creativity)

Thailand e-Business Centre (TeC) is the First e-Business Centre in Thailand. Its positioning is to be a business scaling solution globally. It helps entrepreneurs across the world to go Online, e-Commerce and e-Business. TeC's key focus area is to be an e-business bridge among International, Chinese and Thailand markets. Importantly, TeC experts train entrepreneurs and existing human capital to be a digital workforce while transforming SMEs and Enterprises from their business to be e-Business with a digital mindset and advanced technology knowledge integration.

During the COVID-19 pandemic, the major concerns are the cost of living and the failure on price stabilization. TeC witnessed the hike of the e-commerce business to USD 13 billion worth national from live broadcasting, the endorsement of product quality promotion, and trading over the shopping platform. More than 200,000 jobs were created. This new generation of trading has brought in a significant economic growth rate. E-learning platform for students, individuals, and entities has redirected its trend to link up with Chinese companies for Thai people to learn cross-border trading, simultaneous utilization of various digital tools to perform data analysis and trade promotion to win businesses. Lazada, for example, has applied more than 55 digital tools in customer preference and promotional tactic analysis.

Meta commerce especially in edutainment is the trend of this Southeast Asia region. What to bear in mind is that any newly emerging platform must be inclusive for all people, genders and ages especially those living in distant areas. Besides technical skill development, soft skills or people-oriented skills are still needed. Robotic and AI technology cannot replace us, but they will be used as tool for generating solutions, decision making on how to make it ethical does still rely on humans. Many new careers are emerging. Policies regarding new technology, digital-related strategy, and e-commerce must be in place to serve the countries that will be grooming for metaverse cities and senior citizens are becoming a workforce.

Case 3: Amazon Web Services (AWS)

“We need to leverage skills and technologies. The region does not rely only on the young generation that keeps building new digital infrastructure or tools. How we motivate and reskill existing employees who have been with the businesses for a long time are also important”

Amazon Web Services (AWS) is the cloud business technology of Amazon Group, offering over 200 fully featured services from data centers and providing long-term transformation plans globally. Millions of customers are fast-growing startups, the largest enterprises, and leading government agencies who use AWS to lower costs, and become more agile and innovative.

AWS uses the situations to be flexible in order to maintain and hopefully general more revenues and create more suitable products and services during the crisis. the company converted offline assets to online to increase trading transactions because, after careful research and analysis, no one preferred physical store visits to browsing online shopping platforms. In such a situation, businesses must explore all new potential ideas through analysis and find the most optimal solutions to maintain the existing and launch new businesses/products where possible.

In the Southeast Asia region, the desire for technology is high but digital skills are practically low. AWS has been investing heavily in Thailand, Malaysia, and Indonesia but mostly directed to skill development, not infrastructure improvement or construction over multiple years. From the company's perspective, we foresee that the most critical factors for regional growth is reskilling their people and equal access to the digital world.

Case 4: SEA

*“We must ensure that the end users can use the technology too.
The flywheel effect may create wider and wider digital gaps.”*

SEA Group is a global internet company from Singapore, offering digital entertainment, online game development and publishing, e-commerce platforms, and digital financial services.

SEA perceives crisis as an opportunity as the number of staff and consumers is growing online. Digital transformation for businesses appears to be faster and cheaper in cost. 70% of companies experience income lost because of a low rate of readiness for digital adoption. People in rural areas are the most vulnerable in digital terms. 90% of these people have bank accounts but only 30% can access loans, for example, for micro-SMEs as they have no knowledge of how to access digital banking, create a digital footprint for financial history records, and acquire digital lending.

Therefore, SEA offers SEA Academy to grow digital skills for all. The academy teaches digital skills in a correct and comprehensive way for the learners (including individuals, government agencies, community development agencies, etc.) especially to bring income and profit to their companies. Later, these learners will be trained to become trainers to provide further benefits to others.

During the crisis, SEA found growth in technology use while the lack of digital infrastructure still exists but is inadequate for business operations, especially in rural areas. This requires the government's efforts to tackle the issue. Cross-border trading is another issue where MSMEs suffer the most since they cannot leverage their income and loss across countries. Shopee resolves this issue by offering a multi-language platform where MSMEs can sell their products from their home with many languages generated to suit their selling targets, together with seamless back-office support such as logistics and customs. From this point, it is recommended that the public and private sector must join hands to build infrastructure and faster digital transformation.

At the regional level, different countries require different skill sets. Talents with comprehensive digital skills are something that is still hard to find. The businesses are growing and really need talented workforces such as program coders and data analysts. Therefore, the company turns interested gamers into coders by teaching them coding to become game producers for the company. In a similar manner, students become the company's data analysts through the competition in data analysis model development and the talent finding campaign. Familiarity with the company's data is necessary for current businesses.

VII. TRANSFORMATIVE THINKING AND SCENARIO PLANNING

The key takeaway from this forum is the urgent need for coordinated regional action, innovative strategies, and inclusive approaches to address the challenges arising from the simultaneous occurrence of multiple crises. By working together, the international community can navigate these complex times and build a more resilient and sustainable regional trade ecosystem.

This statement can be elaborated further as each speaker has kindly provided their experiences and thoughts that

- Southeast Asia region has been facing various crises ranging from China's property downturn to the lack of clear direction from the Chinese government, potential war with Taiwan causing fear among businesses and international traders in the region, the surge of youth unemployment with the lack of precise statistical data availability to guide decision making, aging population and corresponding diseases and illnesses, their social security system, workforce maintenance, job creation after the pandemic, cross-border war between Ukraine and Russia, as well as fighting the climate change impact to meet the commitment given to the Paris Agreement.
- These occurrences underline the need for collective efforts to focus on common challenges for the region and try to jointly overcome them. It is believed that we are not yet at the tipping point of the polycrisis and hope for the convergence of efforts to address the challenges. The analysis in UNCTAD's World Investment Report 2023 revealed the positive potential of the Southeast Asia region, particularly in terms of the FDI. FDI is at a record high with more than half of the global GDP as the developing countries are more FDI attractive than the developed countries. Inflow investment in the Southeast Asia region keeps increasing. In 2022, it reached a historic high at USD 220 billion, increasing from 5.7 percent to 17.3 percent within 7 years. The reasons are from a business-friendly environment, stronger regional integration, and an important manufacturing base.
- The pandemic does not offer only destruction but also innovation and deductiveness among businesses. Businesses got closer to their customers and supply chain partners through social support activities and rethinking of their business models to ensure business continuity such as the immediate establishment of the sanitary mask production line, donation of products, and huge exports to neighboring countries. The rationale behind these actions is the need for innovative ideas, resilience, flexibility, and adaptability of the business. Not only that innovation come with new solutions, but some trusted international supply chain partners and multiple hubs for raw materials and productions are necessary. Some companies took it upon themselves to provide funding for their suppliers.
- Big corporates often rejuvenate their business through strengthening their domestic supply chain followed by gradual expansion into other territories or products. The emphasis is on their own intrinsic knowledge existing in their current domestic ecosystem. However, it is necessary to bear in mind that the business rejuvenation of MSMEs is harder than that of the big corporations due to the differences in human and investment capital, as well as the unavailability of risk management and risk mitigation measures.

- Regarding the green issue, it is inevitably that the current business has to face. Looking back 30 years, all kinds of bilateral and multilateral partners have tried hard to reduce or remove tax barriers (i.e., NTM and NTBs) in order to make sure that will be trading better. When CBAM (a full monetary mechanism) is around the corner, some other economies are trying to do the same thing. If allowed, we will be paying tax again. There should be a way to resolve environmental issues using non-monetary mechanisms. Thailand proposed in the APEC a catastrophe bond to help people out of COVID. It is believed that the green technology transfer, green bond, and green fund might be the key in assisting the MSMEs to comply with all green mechanisms.
- The digital transformation is the key for indigenous to access all data equally in order to close down the gaps in society. We must ensure that the cost of data access and hardware is affordable for them. In this forum, we did not discuss much about the cross-border regulations, the standards of the cross-border data, and cyber security. These topics must also be considered as one of the top priorities for this region. Artificial intelligence (AI) can be the tool and we will be the users and the decision-makers.
- It is agreed that there is a need to work towards carbon emission reduction and in particular to meet their commitments. CBAM has been cited as an upcoming challenge and concerns arise among developed countries using environmental regulations barriers against trade. It is recommended that local and international support, capacity building, knowledge sharing, technology transfer, and financial and technical assistance are encouraged. The role of existing international organizations such as the UN, APEC, and ASEAN has also been discussed. In the meantime, the global and regional standards for verification and certification will continue.

Lastly, the need for multiple digital tools and polycrisis, the need to empower, develop, and increase the digital capabilities of people of all ages must be emphasized. During the sessions, the honorable panelists were enthusiastic about sharing their valuable experiences and recommendations.

VIII. CONCLUSION



*Mr. Suphakit Chareonkul
Deputy Executive Director
Acting Executive Director, ITD*

In the closing session, Mr. Suphakit Chareonkul, Acting Executive Director of the ITD, expressed his appreciation for knowledge sharing, the exchange of opinions and recommendations from the honorable panelists that

The insights provided by experts not only shed light on ways to cope with multiple crises but also cover the panoramic perspectives of how we, as a region of Southeast Asia, can thrive in an unprecedented time like this.

Given the intertwined nature of today's crises, we may no longer able to approach things like we were used to be. Rather, we should bring the best that inhibits among us and demonstrate our resolve before it is too late.

Of all past global crises, there were sacrifices being made. For us, it is a great deal as it reflects what businesses can do without deploying too many resources or a painful adjustment that may result in unthinkable scenarios like laying off, bankruptcy, and social unrest, to name a few. I am very certain that today we all prefer optimal solutions that could transcend to the subsequent generations.

Sustainability is the core of today's business model. Southeast Asia region has the potential for sustainable investment, especially in EVs, renewables as well as transition-related technologies that would unlock the small and medium-sized enterprises to grow inclusively.

Our ability to catch up with this needs your collaboration. We are a focal point of ideas where experts can explore research platforms, and merge collaborative projects that aim at addressing today's and tomorrow's challenges ahead.

On behalf of the International Institute for Trade and Development, our key mission is to bridge development disparity through training and capacity-building workshops. We believe that multi-stakeholder collaboration is one tool, among many, to inform our audience of today's most pressing challenges that require immediate attention.

IX. EVENT PROGRAM

Southeast Asia Trade and Development Forum 2023
“Conquering the Polycrisis Challenges”

TIME	TOPICS	SPEAKERS
09.00 – 09.10 hrs.	Opening remarks	Prof. Dr. Somkit Lertpaithoon Chairman of the Board International Institute for Trade and Development
09.10 – 09.25 hrs.	Opening Ceremony & Group Photo Session	
09.25 – 09.45 hrs.	----- Morning Break -----	
09.45 – 10.20 hrs.	Keynote: Navigating geopolitical turbulence and perspectives on regional trade and economic prospects	Honourable Mr. Bernard Charnwut Chan Chairman and President, Asia Financial Holdings Limited
<p>Explore the present economic conditions in China and the factors influencing regional and worldwide economies and trade during global crises. How geopolitical tensions are impacting Hong Kong and the opportunities for Southeast Asia as they navigate the process of decoupling from China. An analysis of the obstacles and possibilities stemming from shifting demographic patterns. A perspective on the demanding labor market in the aftermath of the pandemic and technological advancements, along with the problems necessitating joint solutions to shared global issues. This includes mentioning ongoing c o l l a b o r a t i o n s a n d t h e imperative of working collectively to address the most pressing challenges.</p>		
10.20 – 10.40 hrs.	UNCTAD Session: Key findings of the World Investment Report 2023	Dr. Bruno Casella Senior Economist, Chief Intellectual Property Unit, Division Investment and Enterprise, UNCTAD
<p>The UNCTAD World Investment Report provides insights into the challenges and opportunities that can help policymakers, businesses, and investors navigate and adapt to the complex and interconnected nature of crises. By analyzing data, trends, and policy recommendations provided by the report, stakeholders can surely gain a better understanding of the polycrisis, resilience of investment flows and the potential implications for sustainable development.</p>		
10.40 – 12.10 hrs.	Panel 1: Embracing complexity: How MNCs confront and overcome polycrisis challenges	<u>Panelists:</u> 1. Mr. Wiboon Somboonwong Chief Operating Officer, Automotive and Industrial Business, Charoen Pokphand Group Company Limited 2. Dr. Chaya Chandavas Executive Vice President, Sustainability, PTT Global Chemical Public Company Limited 3. Mr. Abhijit Datta

TIME	TOPICS	SPEAKERS
		Managing Director, SCG International Company Limited <u>Moderator:</u> 4. Mr. Panu Wongcha-Um Former President, Foreign Correspondents' Club of Thailand (FCCT)
In a Polycrisis world, multinational corporations (MNCs) are facing severe geopolitical instability, economic volatility, social and environmental concerns, technological advancements, and changing consumer behavior now more than ever. This session presents MNC's best practices on how they survive in an uncertain regulatory environment, adapt to shifting market conditions, address sustainability issues, and embrace emerging technologies and how effective risk management, collaboration with stakeholders, and agility in responding to polycrisis is crucial and important for MNCs to thrive in this complex environment.		
12.10 – 13.00 hrs.	----- Lunch Break -----	
13.00 – 14.30 hrs.	Panel 2: International trade opportunities in a decarbonized economy: driving sustainable growth	<u>Panelists:</u> 1. Mr. Chirath Isarangkun Na Ayuthaya Director, Bureau of European Affairs, Department of Trade Negotiations, Ministry of Commerce of Thailand 2. Mr. Natee Sithiprasasan Vice Chairman, FTI's Renewable Energy Industry Club, The Federation of Thai Industries 3. Mr. Petros Sourmelis Head, Trade and Economic Section, EU Delegation to Thailand 4. Mr. Pathom Chaiyapruksatorn Senior Manager, Low Carbon Business Certification Office, Thailand Greenhouse Gas Management Organization 5. Mr. Alexey Kravchenko Economic Affairs Officer, Trade Policy and Facilitation Section of the Trade, Investment and Innovation Division, UNESCAP <u>Moderator:</u> 6. Dr. Rupa Chanda Director of Trade, Investment and Innovation Division, UNESCAP

According to World Economic Forum's The Global Risks Report 2023, climate change is listed as the most concerning crisis for the next decade. It is reshaping the region's economic and trade prospects, as it is a major threat for future growth and prosperity. Climate change will surely affect international trade in many ways such as increasing trade cost and production and supply chain disruption. This session will explore the impact of climate change on international trade and discuss the role of trade policy and international cooperation in supporting climate change adaptation strategies for Southeast Asia.

TIME	TOPICS	SPEAKERS
14.30 – 14.45 hrs.	----- Afternoon Break -----	
14.45 – 16.15 hrs.	Panel 3: Thriving in a time of crises: leveraging digital transformation for success	<p><u>Panelists:</u></p> <ol style="list-style-type: none"> 1. Dr. David Hardoon Chief Executive Officer, Aboitiz Data Innovation 2. Ms. Kulthirath Pakawachkriels Chief Executive Officer & Co-Founder, Thailand e-Business Center (TeC) President, Thai E-Commerce Association 3. Mr. Stephen Johnstone Head, Modernization and Transformation, ASEAN Amazon Web Services (AWS), Singapore 4. Dr. Surat Vanichpun Senior Director, Sea (Thailand) <p><u>Moderator:</u></p> <ol style="list-style-type: none"> 5. Assoc. Prof. Dr. Voraprapa Nakavachara Assistant Vice President for Global Engagement, Chulalongkorn University
<p>Digital Transformation becomes even more critical for business to survive and thrive. Many experts believe that the challenges presented by multiple crises or polycrisis can be overcome by using digital technologies, which can help organizations operate more efficiently, adapt to changing circumstances, innovate new solutions, and keep up with these never-ending crises.</p>		
16.15 – 16.30 hrs.	Key takeaways: Transformative thinking and scenario planning	<p><u>Speakers:</u></p> <ol style="list-style-type: none"> 1. Mr. Montri Mahaplerkpong Vice Chairman, Federation of Thai Industries/Board of Directors, ITD 2. Dr. Darnp Sukontasap Board of Directors, ITD
<p>The key takeaway from this forum is the urgent need for coordinated regional action, innovative strategies, and inclusive approaches to address the challenges arising from the simultaneous occurrence of multiple crises. By working together, the international community can navigate these complex times and build a more resilient and sustainable regional trade ecosystem.</p>		
16.15 – 16.30 hrs.	Key takeaways: Transformative thinking and scenario planning	<p><u>Speakers:</u></p> <ol style="list-style-type: none"> 1. Mr. Montri Mahaplerkpong Vice Chairman, Federation of Thai Industries/Board of Directors, ITD 2. Dr. Darnp Sukontasap Board of Directors, ITD
<p>The key takeaway from this forum is the urgent need for coordinated regional action, innovative strategies, and inclusive approaches to address the challenges arising from the simultaneous occurrence of multiple crises. By working together, the international community can navigate these complex times and build a more resilient and sustainable regional trade ecosystem.</p>		

TIME	TOPICS	SPEAKERS
16.30 – 16.40 hrs.	Closing remarks	Mr. Suphakit Charoenkul Deputy Executive Director (Academic), Acting Executive Director, ITD

X. HONORABLE SPEAKERS AND PANELISTS

— OPENING REMARKS —



Prof. Dr. Somkit Lertpaithoon

Chairman of the Board, International Institute for Trade and Development (ITD)

— KEYNOTE —



The Honourable Mr. Bernard Charnwut Chan

Chairman and President, Asia Financial Holdings Limited

— UNCTAD SESSION —



Dr. Bruno Casella

*Senior Economist, Chief Intellectual Property Unit,
Division Investment and Enterprise, UNCTAD*

— PANELISTS 1 —



Mr. Wiboon Somboonwong
*Chief Operating Officer, Automotive
and Industrial Business, Chareon
Pokphand Group Company Limited*



Dr. Chaya Chandavas
*Executive Vice President, Sustainability, PTT
Global Chemical Public Company Limited*



Mr. Abhijit Datta
Managing Director, SCG International



Mr. Panu Wongcha-Um
*Former President, Foreign Correspondents'
Club of Thailand (FCCT)
- Moderator-*

PANELISTS 2



Mr. Chirath Isarangkun Na Ayuthaya
*Director, Bureau of European Affairs,
 Department of Trade Negotiations,
 Ministry of Commerce of Thailand*



Mr. Natee Sithiprasasana
*Vice-chairman, FTT's Renewable
 Energy Industry Club,
 The Federation of Thai Industries*



Mr. Petros Sourmelis
*Head, Trade and Economic Section,
 EU Delegation to Thailand*



Mr. Pathom Chaiyapruksatorn
*Senior Manager, Low Carbon Business
 Certification Office, Thailand Greenhouse
 Gas Management Organization*



Mr. Alexey Kravchenko
*Economic Affairs Officer, Trade Policy and
 Facilitation Section of the Trade,
 Investment and Innovation Division,
 United Nations Economic and Social
 Commission for Asia and the Pacific
 (UNESCAP)*



Dr. Rupa Chanda
*Director of Trade, Investment and Innovation
 Division, United Nations Economic and Social
 Commission for Asia and the Pacific
 (UNESCAP)
 - Moderator-*

PANELISTS 3



Dr. David Hardoon

*Chief Executive Officer, Aboitiz Data
Innovation*



Ms. Kulthirath Pakawachkrilers

*Chief Executive Officer & Co-Founder,
Thailand e-Business Center (TeC)
President, Thai e-Commerce Association*



Mr. Stephen Johnstone

*Head, Modernization and Transformation,
ASEAN Amazon Web Services (AWS),
Singapore*



Dr. Sarut Vanichpun

Senior Director, Sea (Thailand)



Assoc. Prof. Dr. Voraprapa Nakavachara

*Assistant Vice President for Global
Engagement, Chulalongkorn University
- Moderator -*

— KEY TAKEAWAYS —



Mr. Montri Mahaplerkpong
*Vice Chairman, Federation of Thai
Industries / Board of Directors, ITD*



Dr. Darmp Sukontasap
Board of Directors, ITD

— CLOSING REMARKS —



Mr. Suphakit Chareonkul
*Deputy Executive Director (Academic),
Acting Executive Director, ITD*