

Why ASEAN and why now?*

ASEAN is at a tipping point in its economic development, moving towards an integrated economic community (AEC)

US\$2.5 trillion

US\$2.5 trillion GDP in 2014, accounting for 3.2% of the world's economy

US\$600 billion

will need to be spent on infrastructure to support growth

15% total trade

Trade with ASEAN accounts for 15% of Australia's total trade

81 million

81 million 'consuming class' expected to double by 2030

3rd largest

3rd largest labour force in the world behind China and India

626 million

Over 626 million population, with working-age population projected to reach 500 million in 2020

Six major growth drivers will enhance opportunities for Australia over the next decade:



1

Establishment of the AEC, complemented by regional free trade agreements

Promotion of a single market and production base, which enhances the region's competitiveness and integrates the region more fully into the global economy.

Rp

2

ASEAN's status as a major foreign direct investment (FDI) magnet

Rapidly growing middle class and large-scale infrastructure needs create opportunities for foreign investors.



3

The growth of the services sector's contribution to the region's GDP

Demand in ASEAN economies for services will expand with the growth in middle class consumers.

65%

4

Productivity gains through education and training

With more than 65% of ASEAN's 636 million population under the age of 35, demand for training and skills development is significant.



5

The emergence of regional value chains driven by regional business leaders

There will be opportunities to access these supply chains across multiple markets as they become more integrated.



6

Infrastructure development

Large scale infrastructure needs in the region create opportunities for Australian businesses.

TOP 20

In 2014, Austrade surveyed over 1,000 Australian exporters to understand their expected source of additional revenue in the future. It revealed that six out of ASEAN's ten member states were in the top 20 countries.

Next steps for Australian businesses

1



Be prepared for major changes and be alert to the potential

2



See ASEAN as a whole bloc

3



Understand the AEC

4



Align business strategies with regional development agenda

5



Invest in ASEAN competencies

6



Invest in relationships

7



Invest in people

8



Share the rewards

9



Apply Australian standards

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