

Spotlight on ASEAN - Re-opening the economy

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Despite the Coronavirus Disease 2019 (COVID-19) still spreading in hotspots around the world, countries everywhere, including ASEAN, are easing lockdown restrictions to kick-start their economies.

Looking Back

We look back at government measures across ASEAN, when COVID-19 hit, imposing varying degrees of lockdown, shelter in-place restrictions and closing of borders through legislative and other means.

Malaysia enacted its Movement Control Order. Thailand invoked a state of emergency. Indonesia's decree put in place Large Scale Social Restrictions. The Philippines enacted the Bayanihan to Heal as One Act, granting the President power to implement temporary emergency measures. Myanmar's National Central Committee on Prevention, Control and Treatment of COVID-19 implemented restrictions nationwide. The Laos government established the National Task Force Committee on the Prevention and Control of COVID-19 to coordinate the implementation of the country's response. Vietnam mounted a campaign of deep quarantine and mobile testing, coupled with a blanket but relatively high-touch social distancing measures.

An examination of the government measures in many parts of ASEAN is set out in the **Annex** to this article.

Looking Ahead

Cautious but almost in tandem, ASEAN governments are gradually easing restrictions, with an eye to helping its peoples and businesses emerge from the crisis. Manufacturing and other businesses, which form the backbone of many economies in this region, have been greenlighted ahead of less essential business, social and cultural activities that involve community crowds. Malaysia has allowed most economic sectors and activities to operate while observing safe distancing. Thailand's retail industry had a reprieve when department stores and community malls resumed operations in May 2020. Laos citizens can leave their homes and travel within their provinces. Yangon authorities have lifted stay-at-home orders and allowed resumption of traffic. Control Risks, a specialist global risk consultancy, reported that Vietnam has been most outstanding in handling of COVID-19, with very strong focus on keeping the country's export-oriented manufacturing sector open for business.

Important Regional Bloc

With a population of over 600 million, characterised by a relatively young and upwardly mobile workforce, ASEAN also stands to win big when supply chains affected by the US-China trade war re-shore here. Many Japanese and South Korean companies have begun transferring production to ASEAN, attracted by lower-wage structures as well as

improving infrastructure and legal environment.

Economists expect the economic impact of COVID-19 on ASEAN to be felt through three channels - exports, tourism and domestic demand. Many ASEAN governments have introduced fiscal stimulus packages to counter the negative economic effects of COVID-19. These measures include wage subsidies, tax exemptions and in some cases cash transfers. Singapore's COVID-19 support totals S\$92.9 billion, almost a fifth of its GDP.

Vietnam is forecast to be one of the fastest-growing economies in Southeast Asia, despite the impact of COVID-19. The government launched a US\$10.8 billion credit support package in March to combat the crisis. After COVID-19, the economy is expected to rebound at a growth rate of 6.8 percent in 2021 with continued strong growth.

The World Health Organisation (WHO) and world leaders have called on a united force to combat the virus. ASEAN is one of the most dynamic economies due to its strong trade and investment links with each other, and the world. Around 23 per cent of trade and 15 per cent of investment are generated within the region. The pandemic has forged stronger regional cooperation and coordination among its Member States and partners, with a whole-of-government and multi-sectoral approach for each nation affected by COVID-19.

This engenders confidence for businesses and investors (intra-ASEAN and elsewhere), including those of us practising our legal craft, who are here to stay the path in the world's fifth largest economy, for the long haul.

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