



# ASEAN MATTERS FOR AMERICA MATTERS FOR ASEAN

SIXTH EDITION



The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options. The East-West Center in Washington provides US and Indo-Pacific government stakeholders and program partners with innovative training, analytical, dialogue, exchange, and public diplomacy initiatives to meet policy priorities.

Since 1984, the US-ASEAN Business Council Inc. (The Council) has been established as a non-profit organization conducting research and analysis of economic, environmental, financial, political, and social, conditions in the ten countries of the Association of Southeast Asian Nations (ASEAN). The Council utilizes the results of its research and analysis to assist its member companies by providing educational programs, technical information for product innovation, and trade and investment related activities. The Council supports the interests of over 175 member companies by providing advocacy, thought leadership, research, education, intelligence, and building key business relationships. Worldwide, the Council's members generate over \$7 trillion in revenue and employ more than 13 million people. For more information please visit [www.usasean.org](http://www.usasean.org).

ISEAS-Yusof Ishak Institute (formerly Institute of Southeast Asian Studies) is an autonomous organization established in 1968. It is a regional centre dedicated to the study of socio-political, security, and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment. The ASEAN Studies Centre (ASC) was established in 2008 under the ISEAS-Yusof Ishak Institute to research on issues pertaining to the Association of Southeast Asian Nations (ASEAN) as an institution and a process. The ASC is the first Institutional Recipient of the ASEAN Prize in 2020, a prestigious award to honour the outstanding achievements of individuals or organisations who have made meaningful contribution to ASEAN.

First Edition: 2010

Second Edition: 2014

Third Edition: 2017

Fourth Edition: 2019

Fifth Edition: 2021

Sixth Edition: 2023

## ASEAN MATTERS FOR AMERICA/ AMERICA MATTERS FOR ASEAN

This project maps the trade, investment, employment, business, diplomacy, security, education, tourism, and people-to-people connections between the United States and the 10 member states of the Association of Southeast Asian Nations (ASEAN) at the national, state, and local levels. Part of the *Asia Matters for America* initiative, this publication, the one-page summaries for states, and the AsiaMattersforAmerica.org website are resources for understanding the robust and dynamic US-ASEAN relationship.

### AsiaMattersforAmerica.org/ASEAN

#### Project Team

##### East-West Center in Washington

*Director:* Satu Limaye, PhD

*Senior Advisor:* Spencer Gross

*Coordinator:* Lilah Connell

*Research & Content:* Jonathan Formella, Lian Hnin, Robert Kincaid, Joseph Maga, Ramil Mercado, Brendan Stewart, Beatrice Windorski, Natasha Yotmanee

#### US-ASEAN Business Council

*President & CEO:* Amb. Ted Osius

*CPO & SVP:* Marc Mealy

*COO:* Maggie Hanson-Muse

*Coordinator:* Sarah Lessing

*Contributors:* Lilibeth Almonte-Arbez, Hazen Williams, Andrew Koch

#### ASEAN Studies Centre, ISEAS-Yusof Ishak Institute

*Director:* Choi Shing Kwok, Head of ASEAN Studies Centre

*Coordinator:* Sharon Seah

*Contributors:* Joanne Lin, Melinda Martinus, Kristina Fong, Pham Thi Phuong Thao, Indira Aridati

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## Highlights

### ASEAN IN PROFILE

#### ASEAN Has the World's 3<sup>rd</sup> Largest Population

ASEAN promotes economic growth and regional stability among its members through consultation, consensus, and cooperation based on the ASEAN Charter and instruments such as the Treaty of Amity and Cooperation.

### THE UNITED STATES AND ASEAN STRATEGIC PARTNERSHIP

#### ASEAN and the United States Are Key Diplomatic and Security Partners

In 2022, the US and ASEAN established their Comprehensive Strategic Partnership.

### ASEAN ECONOMY

#### ASEAN Is the 5<sup>th</sup> Largest Economy in the World

ASEAN has a combined GDP of \$3.62 trillion and is the 3<sup>rd</sup> fastest-growing Indo-Pacific economy.

### ASEAN ECONOMIC GROWTH PROJECTIONS

#### The ASEAN Economy Is Projected to Grow 4.4% Annually Between 2023 and 2028

Between 2023 and 2028, ASEAN is forecast to be the 2<sup>nd</sup> fastest-growing economy after India.

### TRADE

#### The US and ASEAN Exchange \$508 Billion in Goods and Services Annually

ASEAN ranks 4<sup>th</sup> after Canada, Mexico, and China as a goods export market for the United States, and the United States is the 2<sup>nd</sup> largest trading partner for ASEAN.

### DIGITAL ECONOMY

#### The ASEAN Digital Economy Could Be Worth up to \$1 Trillion by 2030

With over 460 million active internet users, ASEAN is one of the world's fastest-growing internet markets.

### AGRICULTURE

#### ASEAN Is a Top Five Destination for US Food and Agricultural Exports

The United States exports \$14.9 billion in food and agricultural goods to ASEAN, while ASEAN is the 3<sup>rd</sup> largest exporter of food and agricultural goods to the United States.

### JOBS

#### ASEAN Trade and Investment Supports Over 625,000 Jobs Across the United States

Seventeen states have more than 10,000 jobs that rely on exports to ASEAN.

## Highlights

### INVESTMENT

#### ASEAN Is the Number One Destination for US Investment in the Indo-Pacific

ASEAN has received almost \$346 billion in foreign direct investment from the United States, more than the US has directed to China, India, Japan, South Korea, and Taiwan combined.

### SUPPLY CHAINS

#### ASEAN Is a Key Partner in Creating Resilient Supply Chains

Six ASEAN countries make up nearly 16% of global exports of electronic components.

### ASEAN HEALTH

#### The United States Supports ASEAN's Healthcare Resilience

Between 2015 and 2021, the United States has spent \$1.9 billion to support public health in ASEAN across nearly 4,000 projects.

### CLIMATE CHANGE AND SUSTAINABILITY

#### The United States and ASEAN Are Important Partners in Combating Climate Change

The United States and ASEAN collaborate on increasing climate disaster resiliency, improving ASEAN's local plastic waste management capacity, and promoting a circular economy.

### INFRASTRUCTURE

#### Infrastructure Development in ASEAN Is a Top Priority for Member States

Through the US-ASEAN Platform for Infrastructure and Connectivity, the US supports ASEAN initiatives to enhance regional connectivity and facilitate infrastructure investment.

### TRAVEL AND TOURISM

#### Visitors From ASEAN add Nearly \$3.5 Billion to the US Economy per Year

In 2022, nearly 578,000 people from ASEAN countries visited the United States, and almost 1.8 million Americans visited ASEAN countries.

### EDUCATIONAL EXCHANGE

#### ASEAN Students Contribute Over \$1.7 Billion to the US Economy Annually

Almost 50,000 students from ASEAN member states study in the United States.

### ASEAN AMERICAN POPULATION

#### Over Eight Million Americans Identify With an ASEAN Ethnicity

Of the estimated 24 million Asian Americans in the United States, more than one-third identify with one of nine ASEAN ethnicities.

### SISTER PARTNERSHIPS









#### The United States and ASEAN Share 110 Sister Partnerships

Seven ASEAN member states have partnerships with 23 US states and Washington, DC.

## ASEAN Has the World's 3<sup>rd</sup> Largest Population

The Association of Southeast Asian Nations (ASEAN) is a 10-member regional bloc with a combined GDP of \$3.62 trillion, a population of 679 million, and a land mass covering more than 1.7 million square miles. Founded in 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand, ASEAN has since expanded to include Brunei, Cambodia, Laos, Myanmar, and Vietnam. In 2022, ASEAN leaders agreed in principle to admit Timor-Leste as the 11<sup>th</sup> member of ASEAN, and at the 42<sup>nd</sup> ASEAN Summit in May 2023, they adopted a roadmap for Timor-Leste's full membership in the bloc. ASEAN's community-building effort comprises three pillars: the Political-Security Community; Economic Community; and Socio-Cultural Community. ASEAN holds two ASEAN Summits annually and numerous ministerial and working-level meetings in support of its community-building objectives.

ASEAN seeks to promote economic growth and regional stability among its members through consultation, consensus, and cooperation based on the ASEAN Charter and instruments of governance such as the Treaty of Amity and Cooperation, to which 51 countries, including the United States, have acceded. By combining their efforts and influence, ASEAN member states have helped to shape the Indo-Pacific's economic, political, and security trends and discussions by convening key Indo-Pacific countries to discuss political and security issues at an annual East Asia Summit and other ASEAN-led fora such as the ASEAN Regional Forum and ASEAN Defence Ministers' Meeting Plus.

ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN)	
Chair rotates annually among member states <b>Population:</b> 679 million <b>ASEAN Secretariat:</b> Jakarta, Indonesia	
<b>BRUNEI</b> <b>Capital:</b> Bandar Seri Begawan <b>Population:</b> 449 thousand <b>Member Since:</b> 1984 There are more than 300 Bruneian alumni of US government exchange programs as of 2021.	 
<b>INDONESIA</b> <b>Capital:</b> Jakarta <b>Population:</b> 275.5 million <b>Member Since:</b> 1967 In 2022, Indonesia hosted the 17 <sup>th</sup> G20 Summit in Bali where President Biden and President Joko Widodo discussed the US-Indonesia Strategic Partnership.	 
<b>CAMBODIA</b> <b>Capital:</b> Phnom Penh <b>Population:</b> 16.8 million <b>Member Since:</b> 1999 In 2022, Phnom Penh was the site of the 10 <sup>th</sup> annual US-ASEAN Summit celebrating the 45 <sup>th</sup> anniversary of ASEAN-US Dialogue Relations.	 
<b>LAOS</b> <b>Capital:</b> Vientiane <b>Population:</b> 7.5 million <b>Member Since:</b> 1997 Vientiane was added as a partner city to the Water Smart Engagements program in 2021, a US government initiative to strengthen water security among ASEAN Smart Cities.	

Numbers rounded throughout publication. All monetary values are in US\$ unless otherwise noted. Whenever possible, the most recent available data is used. For the most up-to-date data please visit [AsiaMattersForAmerica.org/ASEAN](https://AsiaMattersForAmerica.org/ASEAN)  
Sources: World Bank, Population, 2022 data; ASEAN Secretariat

## ASEAN IS AT THE CENTER OF A DYNAMIC INDO-PACIFIC REGION



<b>MALAYSIA</b> <b>Capital:</b> Kuala Lumpur <b>Population:</b> 33.9 million <b>Member Since:</b> 1967 Malaysia is the largest supplier of semiconductor chips to the United States, accounting for 21% of US global imports so far in 2023.	 
<b>MYANMAR</b> <b>Capital:</b> Nay Pyi Taw <b>Population:</b> 54.2 million <b>Member Since:</b> 1997 Myanmar has received over \$1 billion in US development grants since 2015.	 
<b>PHILIPPINES</b> <b>Capital:</b> Manila <b>Population:</b> 115.6 million <b>Member Since:</b> 1967 In 2023, the United States and the Philippines expanded their Enhanced Defense Cooperation Arrangement to include four new sites.	<b>SINGAPORE</b> <b>Capital:</b> Singapore <b>Population:</b> 5.6 million <b>Member Since:</b> 1967 Singapore is the largest ASEAN investor in the United States with over \$30 billion invested, and contributes to 52% of all the jobs created in the US from ASEAN greenfield investment.
<b>VIETNAM</b> <b>Capital:</b> Hanoi <b>Population:</b> 98.2 million <b>Member Since:</b> 1995 In 2023, the United States and Vietnam are celebrating the 10 <sup>th</sup> anniversary of the US-Vietnam Comprehensive Partnership launched by then-Presidents Barack Obama and Truong Tan Sang.	<b>THAILAND</b> <b>Capital:</b> Bangkok <b>Population:</b> 71.7 million <b>Member Since:</b> 1967 Treaty allies since 1954, the United States and Thailand signed the Communiqué on Strategic Alliance and Partnership in 2022 to reaffirm their commitment to security, economic, and climate cooperation.

## ASEAN and the United States Are Key Diplomatic and Security Partners

The US-ASEAN relationship began in 1977 and has since expanded significantly. The United States signed the Treaty of Amity and Cooperation in 2009 and was the first non-ASEAN country to establish a dedicated resident ambassador and permanent mission to the organization in 2010. The United States joined the East Asia Summit in 2011 and began to hold annual ASEAN-US Summits in 2012. In 2020, the parties adopted a new ASEAN-US Plan of Action (2021-2025) to guide the US-ASEAN Strategic Partnership. At the 10<sup>th</sup> annual US-ASEAN Summit in Phnom Penh, President of the United States Joseph R. Biden Jr. and the ASEAN leaders elevated US-ASEAN relations to a Comprehensive Strategic Partnership. In November 2022, the United States became an observer to the ASEAN Inter-Parliamentary Assembly. The United States and ASEAN discuss and coordinate security activities through the ASEAN Regional Forum and the ASEAN Defence Ministers' Meeting Plus.

At the congressional level, there is strong diplomatic and legislative support for ASEAN. The Congressional Caucus on ASEAN was established in 2017 as a bipartisan initiative by Representatives Joaquin Castro and Ann Wagner. The Caucus focuses on innovation and capacity-building efforts in the areas of technology, education, disaster management, food security, human rights, and economic engagement. In 2021, the Congress passed the Southeast Asia Strategy Act, directing the United States to develop a comprehensive strategy for engagement in the region.

In the last two years, at least 10 congressional delegations (CODEL) have traveled to ASEAN member states. In April 2023, Senator Jeff Merkley led a bicameral CODEL to Vietnam and Indonesia to discuss climate cooperation, human rights, and security with government officials and ASEAN leadership. In July 2023, House Armed Services Committee Chairman Mike Rogers and Ranking Member Adam Smith led a bipartisan CODEL of the Committee's members to Hawai'i, Guam, the Philippines, Taiwan, and Japan to discuss security challenges in the Indo-Pacific.

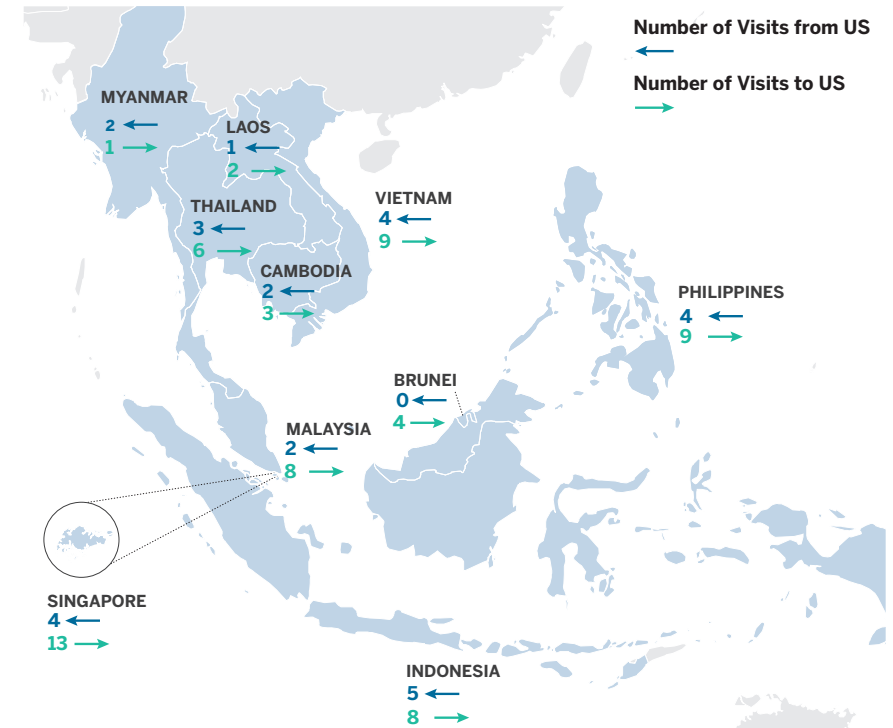
In 2023, the House passed bipartisan legislation—the Providing Appropriate Recognition and Treatment Needed to Enhance Relations (PARTNER) with ASEAN Act—to authorize the designation of ASEAN as an international organization with diplomatic privileges and immunities. Two resolutions—supporting ASEAN centrality in the Indo-Pacific and recognizing the importance of the Mekong-US partnership—have been introduced in the US Senate. These measures could significantly strengthen US-ASEAN relations.

\*Only officially recognized heads of state/government are counted.

Sources: US House of Representatives, Congressional Caucus on ASEAN, ASEAN Secretariat, US Department of State, Office of the Historian

## HEADS OF STATE VISITS 2003-2023\*

Number of official visits by ASEAN Leaders to the United States and official visits by US Presidents to ASEAN Member States



## SECURITY COOPERATION

ASEAN countries occupy a crucial geopolitical position, straddling the sea lanes between the Indian Ocean to the west and the Pacific Ocean to the east. With approximately one-third of global shipping passing through the disputed waters of the South China Sea each year, including \$1 trillion linked to US trade, maritime security is a priority for both the United States and ASEAN. The United States has supported regional efforts to increase security and awareness through trainings, workshops, and consultations within the frameworks of the ASEAN Regional Forum, the Expanded ASEAN Maritime Forum, and the ASEAN Defence Ministers' Meeting Plus.

The Philippines and Thailand have been treaty allies of the United States since 1951 and 1954, respectively. In 2003, both countries were designated major non-NATO allies of the United States, a status awarded to just 18 countries that provides military and economic benefits. The United States-Thailand Communiqué on Strategic Alliance and Partnership, signed in 2022, reaffirmed the countries' commitment to security cooperation. During President Ferdinand Marcos Jr.'s visit to Washington in May 2023, the United States and the Philippines issued updated guidelines to the 1951 US-Philippines Mutual Defense Treaty reaffirming mutual defense commitments in the event of an attack in the Pacific, including the South China Sea. The countries also expanded their Enhanced Defense Cooperation Arrangement in 2023 to include four new sites in the Philippines.

The Biden administration's *National Security Strategy* affirms "the centrality of ASEAN" and pledges to expand regional diplomatic, development, and economic engagement, "with a particular focus on Southeast Asia and the Pacific Islands." The US government has worked to increase maritime security capacity in ASEAN through the Southeast Asia Maritime Law Enforcement Initiative, which was expanded in 2018, and the Indo-Pacific Maritime Security Initiative, which has provided more than \$250 million to enhance information sharing, interoperability, and maritime cooperation between the United States and ASEAN member states. In 2019, the first ASEAN-US Maritime Exercise was held in the South China Sea, and the inaugural ASEAN-US Cyber Policy Dialogue in Singapore. The 38<sup>th</sup> annual US-Philippine Balikatan Exercise in 2023 was the largest joint military exercise to date between the two countries, with the combined effort of over 17,000 troops.

On average, military spending within ASEAN accounted for about 2% of the bloc's GDP in 2021. The United States is the 2<sup>nd</sup> largest supplier of defense equipment to ASEAN, with \$3.8 billion in deliveries in the decade between 2013 and 2022.

\*Includes military exercises held from 2019 to 2023 to account for COVID-19 disruptions of regularly held exercises.

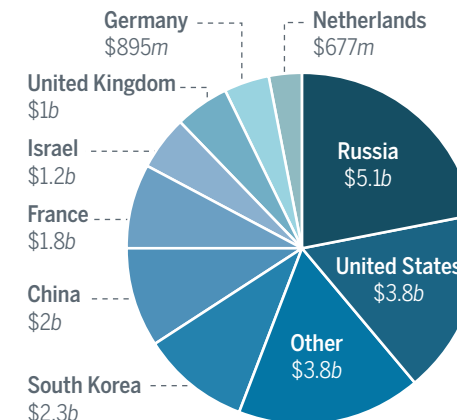
Sources: World Bank, 2021 data; Stockholm International Peace Research Institute (SIPRI), US Mission to ASEAN, United States Agency for International Development, Center for Strategic and International Studies, US Indo-Pacific Command, US Navy, US Army, Pacific; US Marine Corps Forces, Pacific

## MAJOR MILITARY EXERCISES\*

Annual and biennial exercises involving the United States and ASEAN member states



## ASEAN DEFENSE EQUIPMENT IMPORTS 2013-2022

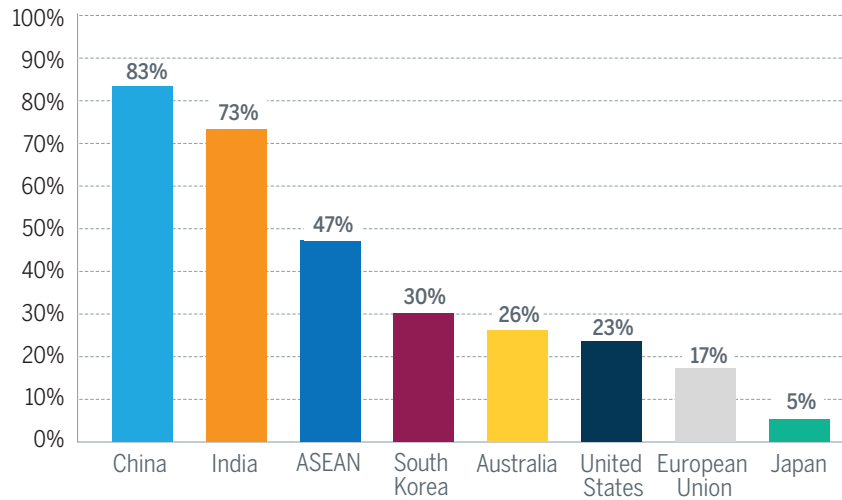


# ASEAN Is the 5<sup>th</sup> Largest Economy in the World

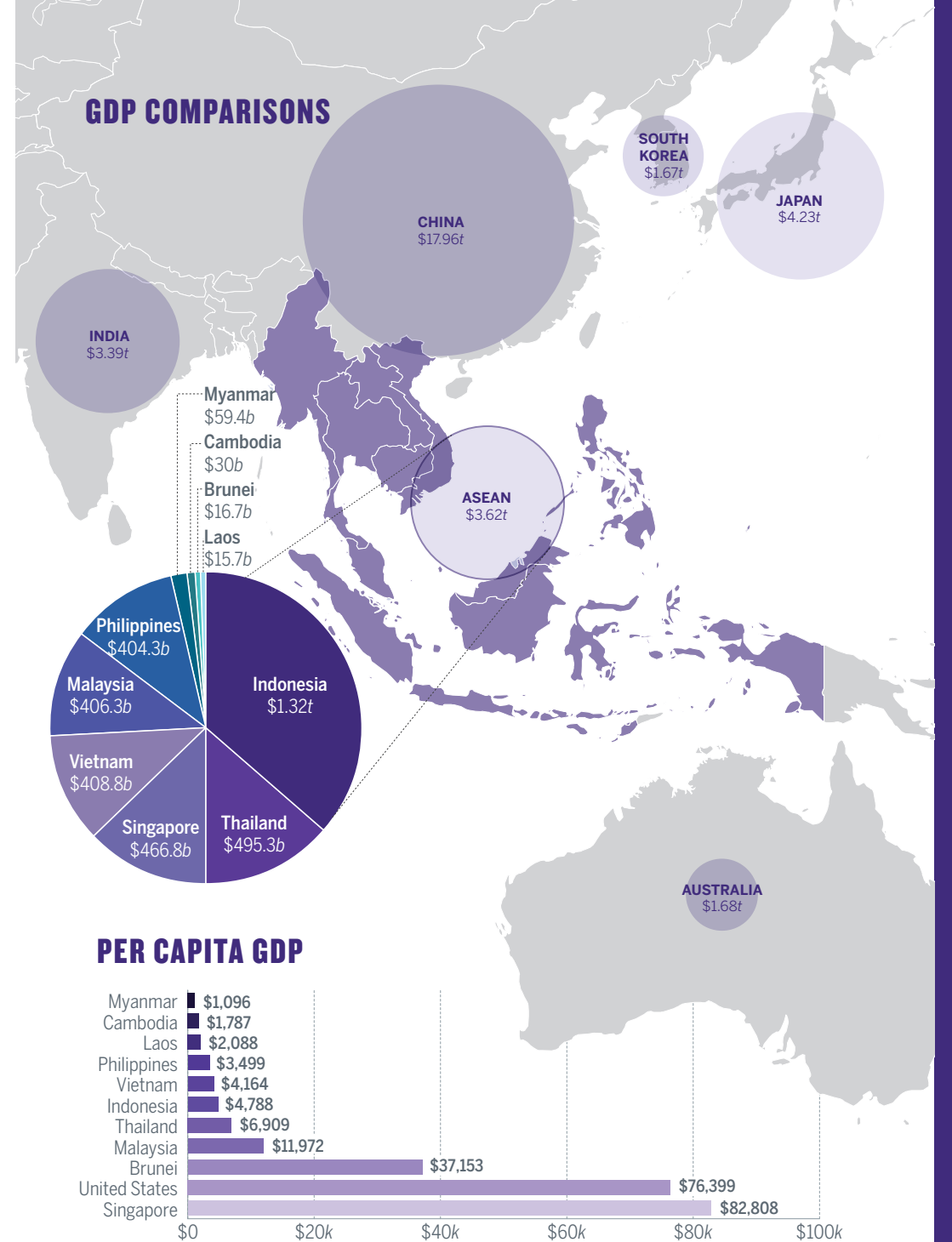
The ASEAN Economic Community (AEC), established in 2015, has a combined GDP of \$3.62 trillion. ASEAN is the 3<sup>rd</sup> largest economy in the Indo-Pacific, after China and Japan, as well as the 3<sup>rd</sup> fastest-growing Indo-Pacific economy in the past decade, after China and India. As a critical hub for the trade of global goods, over \$3.34 trillion in global trade transited through the ASEAN region in 2021 alone.

The AEC seeks to reduce or remove trade barriers to facilitate the free movement of goods, services, capital, and skilled labor within the ASEAN region. The development of a single customs window, known as the ASEAN Single Window, was supported by the United States Agency for International Development (USAID) to further reduce transaction costs and enhance trade connectivity in the Indo-Pacific region. In December 2019, all 10 ASEAN member states joined the ASEAN Single Window. The AEC Blueprint 2025 lays out strategic measures to achieve five characteristics: a highly integrated and cohesive economy; a competitive, innovative, and dynamic ASEAN; enhanced connectivity and sectoral cooperation; a resilient, inclusive, people-oriented, and people-centered ASEAN; and a global ASEAN. The blueprint also emphasizes the economic integration of micro, small, and medium enterprises and the promotion of the digital economy.

## REAL GDP INCREASE 2012 TO 2022



Sources: World Bank, GDP (constant 2015 US\$), 2012 and 2022 data; GDP (current US\$), 2022 data; GDP Per Capita (current US\$), 2022 data; UNCTAD, Merchandise: Total Trade and Share, 2021 data



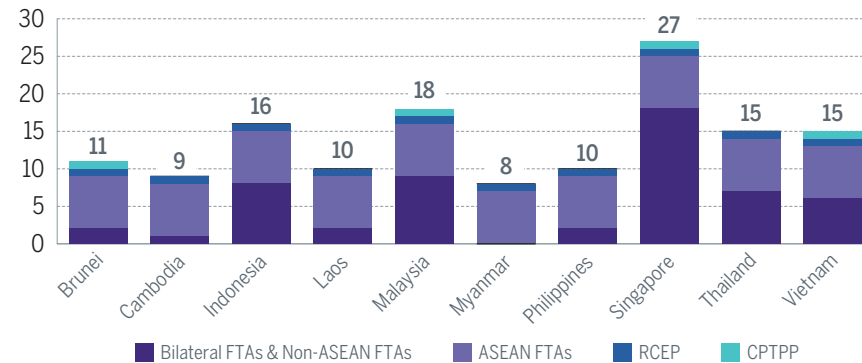
## TRADE AGREEMENTS AND FRAMEWORKS

ASEAN is at the heart of a network of multilateral and bilateral free trade agreements (FTAs) in the Indo-Pacific region. ASEAN has FTAs in place with the region's biggest economies including China, Japan, South Korea, India, Australia and New Zealand, and Hong Kong. ASEAN continues to negotiate FTAs, including with Canada.

While the United States does not have a FTA with ASEAN, economic ties were formalized with the US-ASEAN Trade and Investment Framework Agreement in 2006 and elaborated on with the Expanded Economic Engagement Work Plan in 2012. The US Trade Representative also participates in annual consultations during the ASEAN Economic Ministers' Meetings.

The 2004 US-Singapore Free Trade Agreement was America's first FTA in the Indo-Pacific. Outside of multilateral FTAs, the 10 ASEAN member states are individually a part of 55 active FTAs. These networks of FTAs are a key reason why several ASEAN member states are viewed as trusted trade partners playing vital roles in the global and regional supply chains.

## ASEAN FREE TRADE AGREEMENTS SIGNED AND IN EFFECT



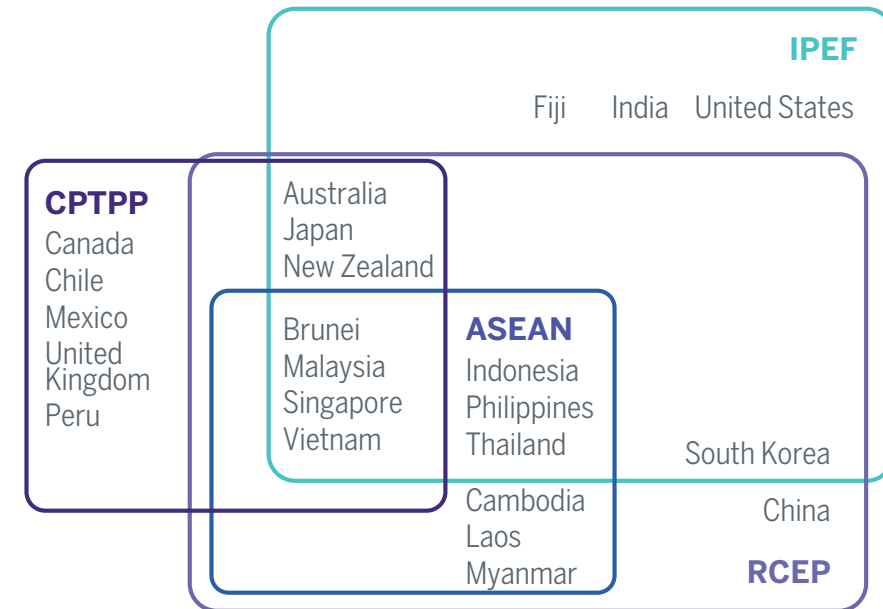
ASEAN is central to the Regional Comprehensive Economic Partnership Agreement (RCEP), a FTA that includes all 10 ASEAN members and five Indo-Pacific partners. Over 20 years, RCEP aims to eliminate about 90% of tariffs with exemptions for “sensitive” or “strategic” goods. It also contains a rules of origin provision that regards RCEP members as one economic region. RCEP is estimated to add \$245 billion annually to regional income and 2.8 million jobs to the region by 2030.

Four ASEAN countries are also members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The CPTPP extends beyond market access commitments to include environmental and labor protections, rules for state-owned enterprises, and support for small and medium-sized enterprises. The CPTPP has outstanding membership applications from six countries, including China and Taiwan.

In May 2022, President Biden, alongside regional partners, launched the flagship economic initiative of the US Indo-Pacific strategy called the Indo-Pacific Economic Framework for Prosperity (IPEF). The framework's goal is to “advance resilience, sustainability, inclusiveness, economic growth, fairness, and competitiveness for [IPEF] economies.” While it is not a formal FTA, IPEF will focus on eliminating non-tariff barriers to trade to increase business opportunity and job growth across four strategic pillars: Trade; Supply Chains; Clean Energy, Decarbonization, and Infrastructure; and Tax and Anti-Corruption. In 2023, Indonesia and Singapore hosted the second and third IPEF negotiating rounds, respectively, followed by the IPEF Ministerial Meeting in Detroit, Michigan, which resulted in the substantial conclusion of the IPEF Supply Chain Agreement negotiations. Thailand and Malaysia are also hosting negotiating rounds in 2023.

	CPTPP	RCEP	IPEF
Signed	March 2018	November 2020	May 2022
Entered into Force	December 2018	January 2022	Under Negotiation
% of Global GDP	15%	30%	40%
% of Global Population	8%	30%	33%

## ASEAN PARTICIPATION IN MULTILATERAL TRADE FRAMEWORKS



Sources: Asian Development Bank Database; IMF, World Economic Outlook Database, April 2023; UNCTAD, Office of the United States Trade Representative, The White House, Center for Strategic & International Studies

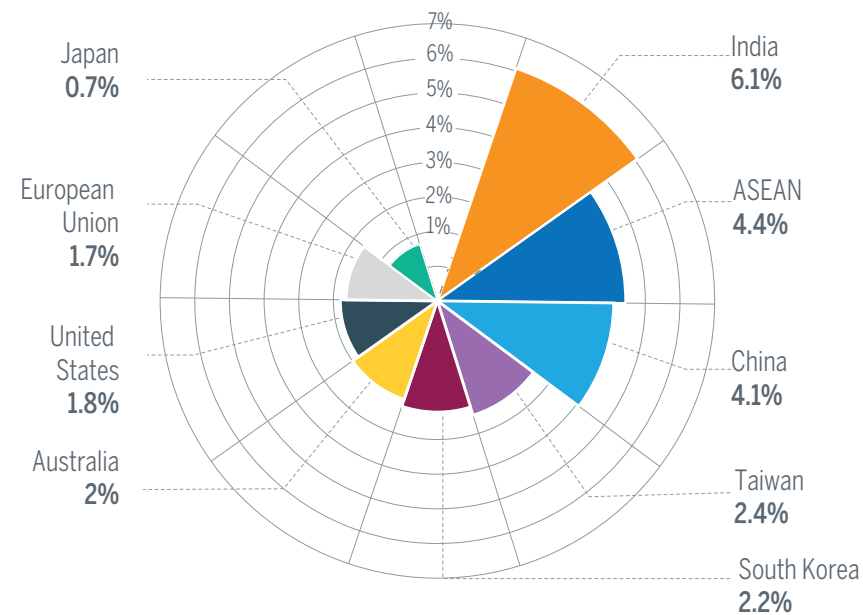


## The ASEAN Economy Is Projected to Grow 4.4% Annually Between 2023 and 2028

After 5.7% GDP growth in 2022, the ASEAN economy is forecast to continue to grow by 4.6% and 4.9% on average in 2023 and 2024, respectively. Between 2023 and 2028, ASEAN's projected average annual GDP growth rate is 4.4%, making it the 2<sup>nd</sup> fastest-growing economy after India.

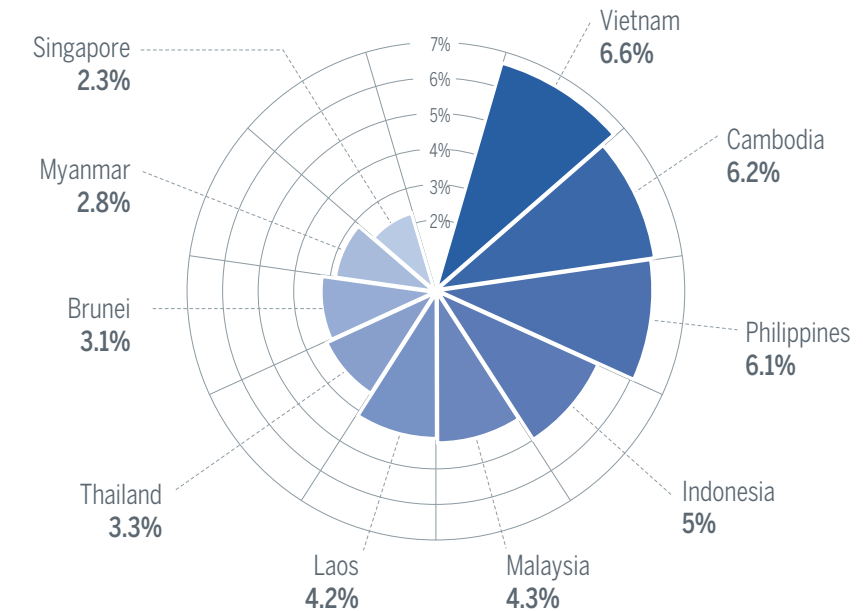
Over 380 million people in ASEAN are under the age of 35, roughly 15% larger than the entire population of the United States. ASEAN also has the 3<sup>rd</sup> largest number of people participating in its labor force—338 million—trailing only China and India. After the United States, Indonesia alone has the world's 4<sup>th</sup> largest labor force of 140 million people. ASEAN's middle class is projected to grow from 190 million residents in 2020 to over 334 million by 2030. Sustainable urbanization is a key part of this demographic growth. Just over 50% of the ASEAN population lives in urban areas, and it is estimated that the urban population will increase to nearly 70% by 2030. Despite the pandemic, urban populations have continued to increase in all ASEAN countries between 2021 and 2022.

### PROJECTED AVERAGE ANNUAL GDP GROWTH RATE 2023-2028



	PROJECTED GDP PER CAPITA IN 2028	PROJECTED % INCREASE 2023-2028
Brunei	\$41,124	17%
Cambodia	\$2,630	39%
Indonesia	\$7,073	41%
Laos	\$2,189	18%
Malaysia	\$17,971	34%
Myanmar	\$1,491	26%
Philippines	\$5,375	38%
Singapore	\$110,841	22%
Thailand	\$10,895	33%
Vietnam	\$6,962	56%

### PROJECTED AVERAGE ANNUAL GDP GROWTH RATE 2023-2028 FOR ASEAN COUNTRIES



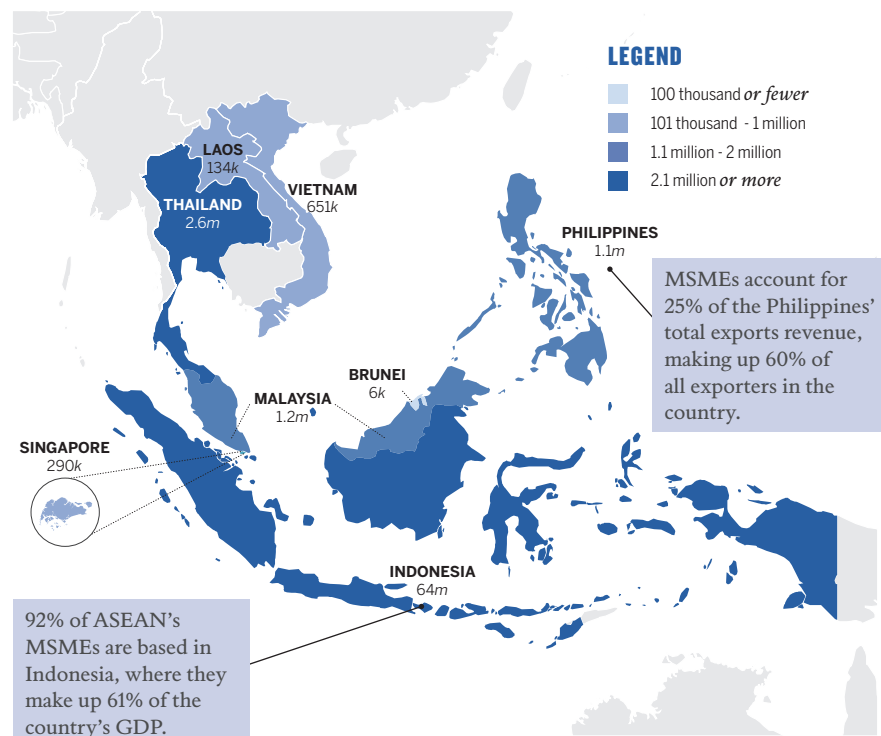
Sources: International Monetary Fund, World Economic Outlook Database (April 2023), 2023-2028 data, Regional Economic Outlook: Asia and the Pacific (May 2023); United Nations, World Population Prospects 2022; International Labour Organization; Brookings Institution, World Bank, Urban Population, 2022 data; World Bank, Labor Force, 2022 data

## MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISES

Micro, small, and medium-sized enterprises (MSMEs) are crucial to ASEAN's economic growth. MSMEs represent between 97-99% of all enterprises in each ASEAN member state. ASEAN is home to over 71 million MSMEs across eight member states (excluding Myanmar and Cambodia), employing a total of over 143 million people. MSMEs contribute almost 45% of ASEAN's GDP, 85% to employment, and 18% of its regional exports. They are predominant in ASEAN's service sector, including retail, trade, and agricultural activities. However, MSMEs are facing challenges with respect to business integration in the region and in global markets through global value chains.

In 2021, the number of MSMEs increased by 13% in the Philippines, 7% in Malaysia, and 3% in Singapore. With government support, 85% of Indonesia's MSMEs reported their businesses have returned to normal after COVID-19 disruptions, and 22% of the MSMEs that closed during the pandemic have successfully reopened.

### MSMES IN ASEAN\*



\*Data from 2021, except Brunei, Indonesia, and Vietnam data from 2019, Laos data from 2020; Data not available for Cambodia and Myanmar.

## MSME DIGITAL ECONOMY INTEGRATION

Integration of MSMEs in the digital economy is predicted to add \$3.1 trillion to the Indo-Pacific's total GDP by 2024, including \$30 billion to Vietnam's GDP. Currently, just over 17 million of Indonesia's 64 million MSMEs are participating in the digital economy. The government aims to expand participation to 30 million MSMEs by 2024. Malaysia's target is to digitalize the business operations of 90% of its MSMEs by 2025.

In a survey of over 1,500 MSMEs across all 10 ASEAN member states, 80% of surveyed enterprises reported they had expanded their use of digital tools in the past two years, largely prompted by the COVID-19 pandemic. However, 65% of the MSMEs identified internet accessibility and affordability as barriers to their growth. Only one-third of the surveyed MSMEs reported using e-commerce platforms and marketplaces to conduct digital payments.

Supporting technology adoption and MSME e-commerce participation is a key strategic objective in the Master Plan for ASEAN Connectivity 2025. First launched in 2016 as the ASEAN SME Academy and updated in 2022, the ASEAN SME Academy 2.0 is a joint initiative between the US-ASEAN Business Council (USABC), USAID, and the ASEAN Coordinating Committee for MSMEs. As an official ASEAN platform, the Academy is co-administered by USABC, the Bureau of SME Development under Philippines Department of Trade and Industry, and the Philippines Trade and Training Centre. It is an online learning platform that provides trainings and resources for MSMEs on technologies for growth, financial products, regional and international markets, and more. The platform is available in four languages and includes courses on COVID-19 recovery. The program has over 5,600 active users from all 10 ASEAN countries, including almost 4,200 MSME participants.

MSME SHARE OF EMPLOYEES**	
Brunei	56%
Indonesia	97%
Laos	82%
Malaysia	48%
Philippines	65%
Singapore	71%
Thailand	77%
Vietnam	38%

TOP FIVE SECTORS OF ASEAN SME ACADEMY USERS	
	# Of Users
Education	1,000
Food & Beverages	570
Wholesale & Retail Trade	484
Tourism	448
Agriculture	404

\*\*Data from 2021, 2019 data for Brunei and Vietnam, 2018 data for Laos.

Sources: Asian Development Bank, Asia SME Monitor 2022 database; Vietnam Ministry of Planning and Investment, ASEAN Secretariat, ICC-Google MSME Digital Exports in Southeast Asia survey, 2022; SME Corporation Malaysia, Coordinating Ministry for Economic Affairs of the Republic of Indonesia, Philippines Department of Trade and Industry, ASEAN SME Academy, July 2023 data.

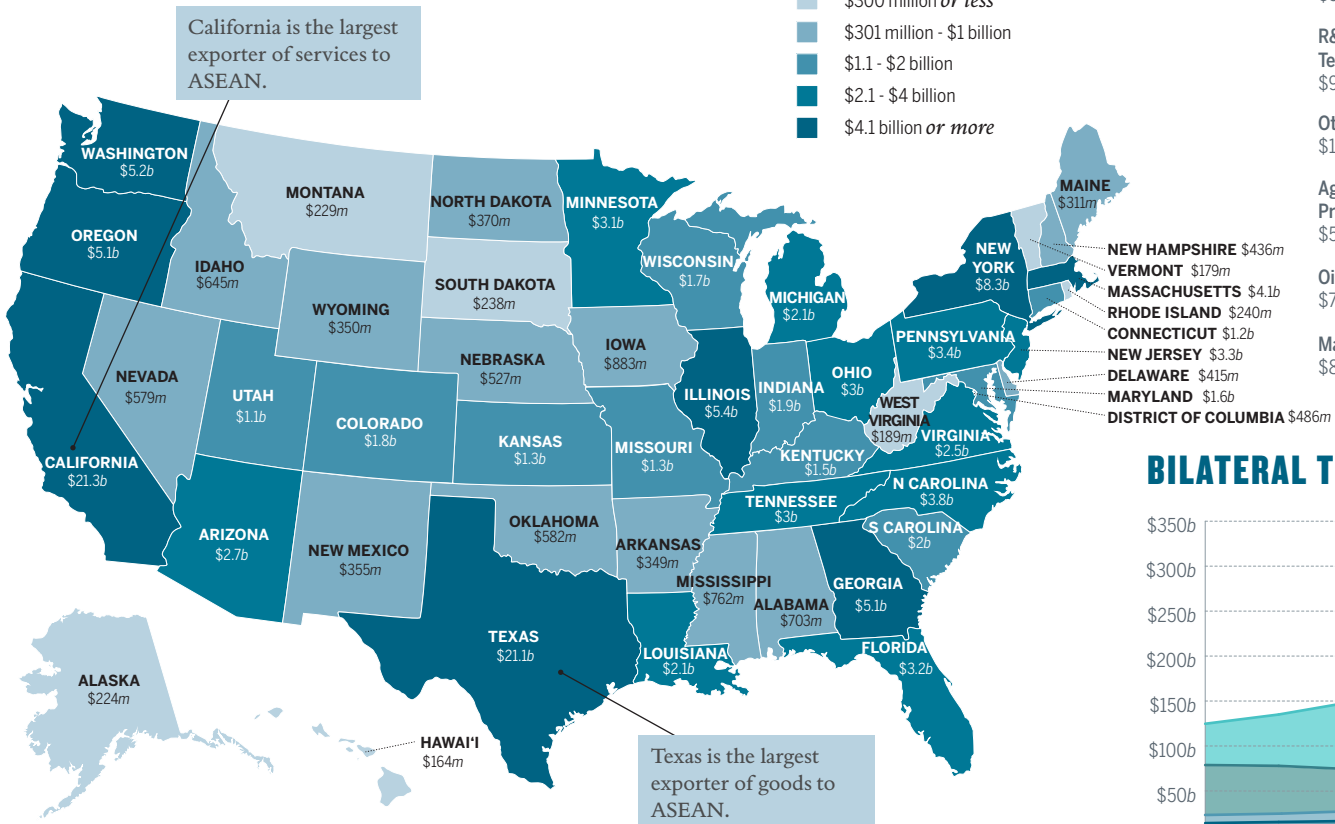
# The US and ASEAN Exchange \$508 Billion in Goods and Services Annually

ASEAN is the 4<sup>th</sup> largest export destination for goods from the United States after Canada, Mexico, and China, and the United States is the 2<sup>nd</sup> largest trading partner for ASEAN. The United States exported more than \$159 billion in goods and services to ASEAN, including \$110 billion in goods and \$49 billion in services. Twenty-nine US states export over \$1 billion in goods and services to ASEAN each year, including California and Texas which each export over \$21 billion a year to ASEAN.

## GOODS AND SERVICES EXPORTS TO ASEAN

### LEGEND

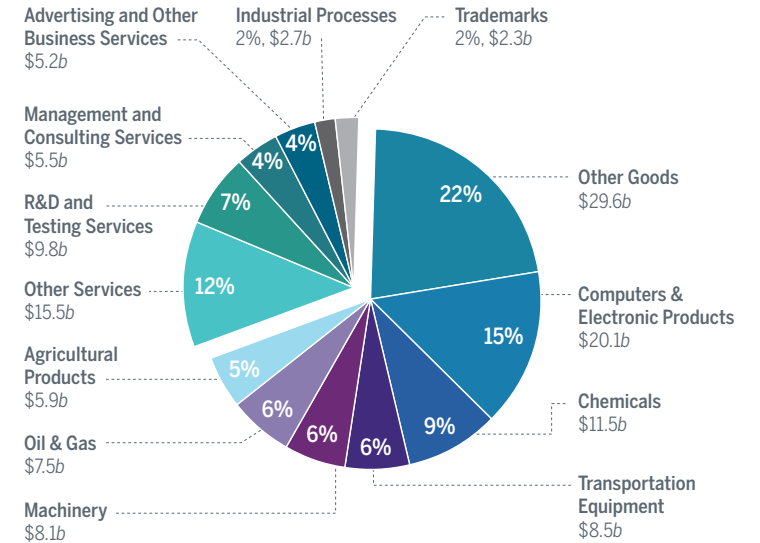
- \$300 million or less
- \$301 million - \$1 billion
- \$1.1 - \$2 billion
- \$2.1 - \$4 billion
- \$4.1 billion or more



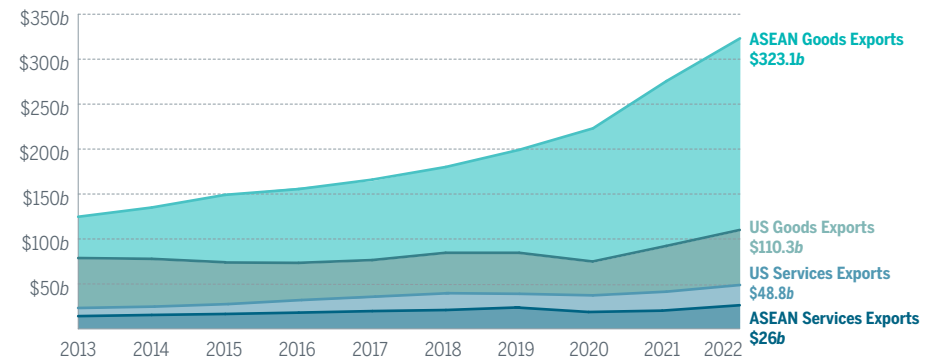
Sources: Estimated by the Trade Partnership (Washington, DC), 2021 data; Bureau of Economic Analysis, 2013-2022 data

The total value of US-ASEAN bilateral trade has increased 111% from \$241 billion to \$508 billion in the past decade. Since 2020, there has been a 44% increase in the exchange of goods and services. In 2022, Malaysia, Singapore, Thailand, and Vietnam were among the United States' top 20 goods trading partners. ASEAN's surplus in goods with the United States totaled nearly \$213 billion, while the United States' surplus in services with ASEAN totaled almost \$23 billion, a 53% increase from 2019.

## COMPOSITION OF US GOODS AND SERVICES EXPORTS TO ASEAN



## BILATERAL TRADE BETWEEN THE UNITED STATES AND ASEAN\*



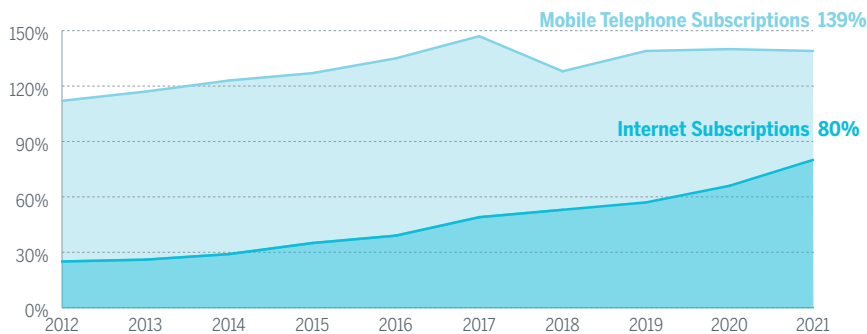
\*Data not available for Cambodia, Laos, and Myanmar.

# The ASEAN Digital Economy Could Be Worth up to \$1 Trillion by 2030

ASEAN is one of the fastest-growing internet markets with 460 million active internet users, up 60 million users since the start of the pandemic. The region is predominantly mobile-first with almost 934 million active mobile subscriptions, nearly 1.5 times its population. Online spending is expected to more than triple to \$330 billion by 2025, and could be worth up to \$1 trillion by 2030. It is estimated that online retail makes up 11% of total retail spending across six ASEAN countries, up from just 5% prior to the pandemic. This trend is fueled by the increasingly widespread adoption of e-commerce in the region across both urban and suburban consumers. Over 20 million merchants have leveraged e-commerce platforms for transactions. Digital payments are also driving the growth of the digital economy. Within one year, digital payments in ASEAN have increased by almost \$100 billion to reach \$806 billion. This is a 35% increase from pre-pandemic levels.

ASEAN is becoming a source of digital economy innovation, with many iterative policy frameworks and ample room for further growth. ASEAN has developed policy frameworks to realize a more interconnected and inclusive digital economy, including the AEC Blueprint 2025, ASEAN Agreement on Electronic, Commerce and the ASEAN Digital Masterplan 2025. The World Economic Forum's Digital ASEAN Initiative also works collaboratively with regional partners and the ASEAN Secretariat to create a pan-ASEAN data policy, build digital skills in the ASEAN workforce, create a common ASEAN e-payment framework, and nurture ASEAN cybersecurity cooperation and capacity building.

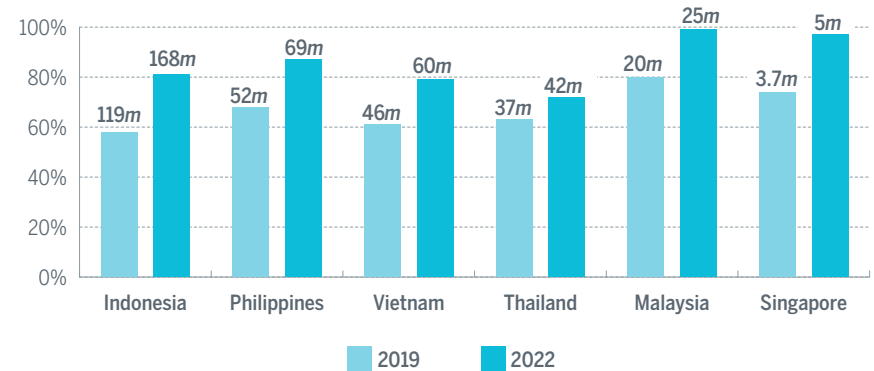
## INTERNET PENETRATION AND MOBILE SUBSCRIPTIONS IN ASEAN



Sources: ASEAN Statistical Yearbook 2022, e-Economy SEA 2022 (Data limited to Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam), Statcounter, March 2023 data, Meta, Bain & Company, A SYNC Southeast Asia Report, 2019-2022

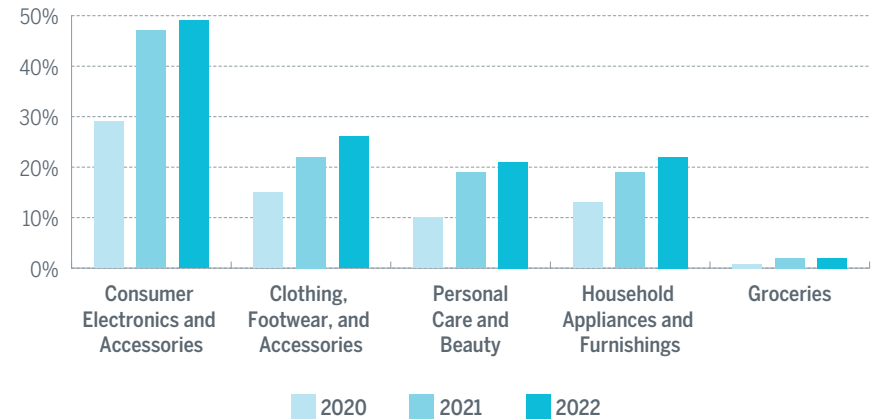
US technology companies hold dominant market positions within their sectors in Southeast Asia. Apple holds an average 25% market share of mobile phones, Google holds a 97% market share among search engines, and Meta (via Facebook) holds a 52% market share of social media platforms. The US government and businesses in the United States have also provided support to over 120,000 ASEAN entrepreneurs since 2011 through various programs, including the US-ASEAN Business Alliance for Competitive SMEs and the online ASEAN SME Academy.

## DIGITAL CONSUMER POPULATION AS A SHARE OF TOTAL CONSUMER POPULATION 2019 VS. 2022\*



## ASEAN ONLINE RETAIL PENETRATION BY CATEGORY\*\*

Online retail contribution to total retail



\*Consumer population defined as population age 15 and older.

\*\*Data limited to Indonesia, the Philippines, Vietnam, Thailand, Malaysia, and Singapore.

# ASEAN Is a Top Five Destination for US Food and Agricultural Exports

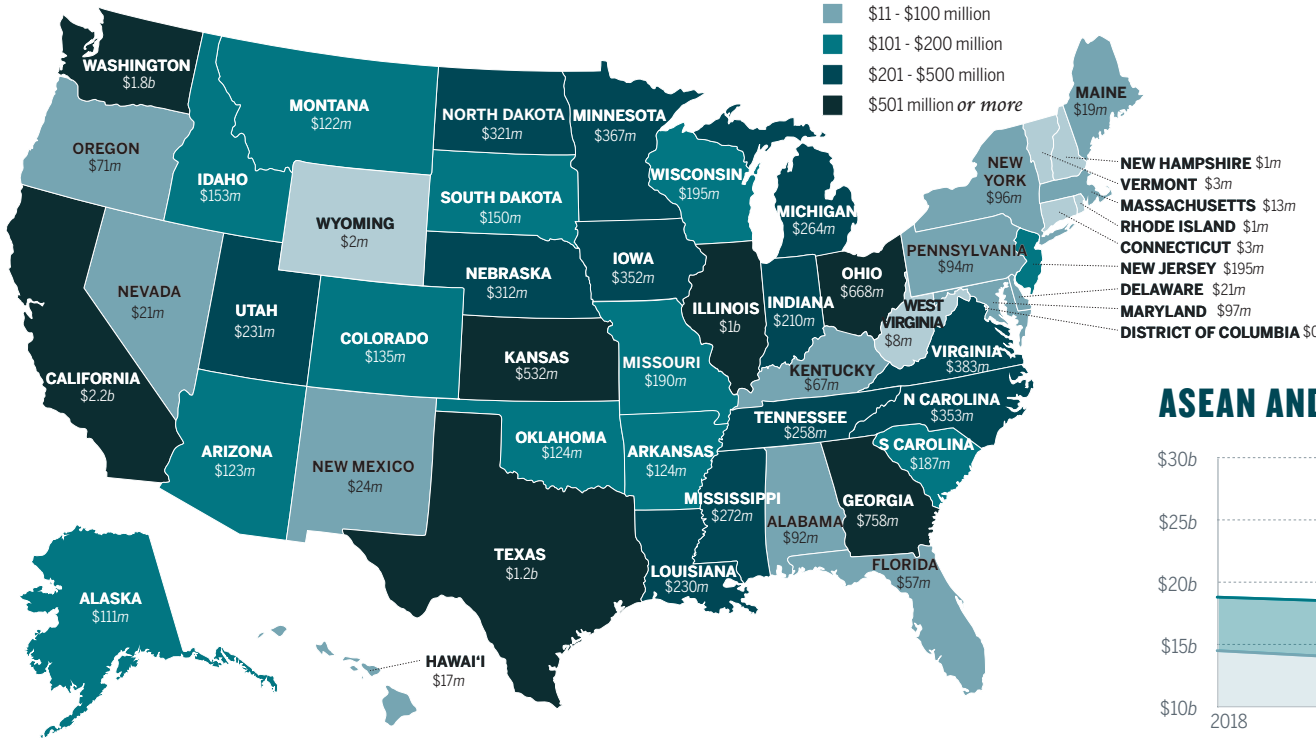
The United States exports \$14.9 billion in food and agricultural goods to ASEAN, including \$2.3 billion in soybeans, \$1.7 billion in dairy products, and \$1.5 billion in cotton. ASEAN is the 5<sup>th</sup> largest global importer of US food and agricultural goods, accounting for nearly 8% of US total global agricultural exports, and 3<sup>rd</sup> largest importer of US food and agricultural products in the Indo-Pacific after China and Japan. Thirty-one states export over \$100 million in food and agricultural goods to ASEAN with California, Washington, Texas, and Illinois each exporting over \$1 billion.

Despite disruptions caused by the COVID-19 pandemic, 30 states' exports increased from 2019 levels, with 14 states' exports increasing by over 20%. Since 2019, total US food and agricultural exports to ASEAN increased by almost 5%.

## FOOD AND AGRICULTURAL EXPORTS TO ASEAN

### LEGEND

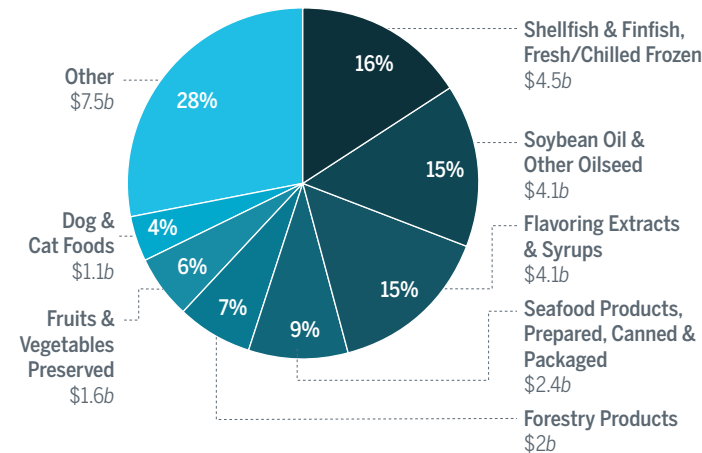
- \$10 million or less
- \$11 - \$100 million
- \$101 - \$200 million
- \$201 - \$500 million
- \$501 million or more



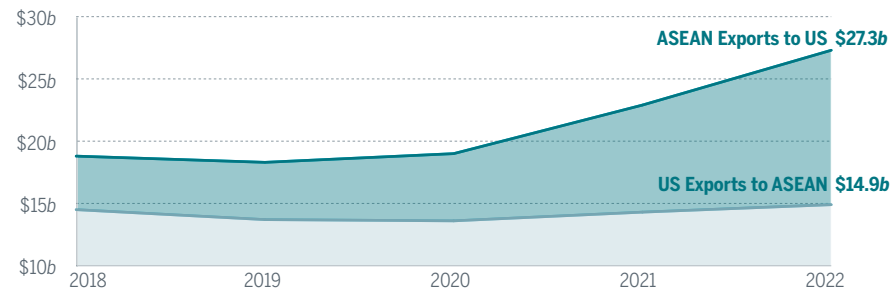
While many Southeast Asian countries experienced disruptions in food production and distribution during the pandemic, including a shortage of farming inputs and labor constraints, ASEAN agricultural trade with the United States remains strong. ASEAN agricultural exports to the United States increased by nearly \$4 billion between 2020 and 2021 and an additional \$4.4 billion the following year, reaching \$27.3 billion. ASEAN is the 3<sup>rd</sup> largest exporter of food and agricultural goods to United States after Mexico and Canada.

The top agricultural exports from ASEAN to the United States include shellfish/finfish and seafood products at \$6.9 billion, soybean oil at \$4.1 billion, and flavoring extracts and syrups at \$4.1 billion. ASEAN is also a top global natural rubber and palm oil exporter, responsible for 90% and 87% of global production, respectively. Indonesia and Malaysia alone account for 95% of all palm oil exports to the United States.

## COMPOSITION OF ASEAN FOOD AND AGRICULTURAL EXPORTS TO THE UNITED STATES



## ASEAN AND US FOOD AND AGRICULTURAL EXPORTS 2018-2022



Sources: Estimated by the Trade Partnership (Washington, DC), 2021 data; US Census Bureau, 2022 data

# ASEAN Trade and Investment Supports Over 625,000 Jobs Across the United States

Almost 42,000 companies across the United States export to ASEAN. These goods and services exports support, directly or indirectly, over 587,000 US jobs. Seventeen states have over 10,000 jobs that rely on exports to ASEAN member states. In 17 US states and the District of Columbia, ASEAN accounts for more than 20% of jobs dependent on exports to the Indo-Pacific. Since 2019, ASEAN-supported jobs have increased by over 15% in Iowa, Maryland, Minnesota, North Carolina, New Hampshire, Pennsylvania, Utah, and the District of Columbia.

## JOBS SUPPORTED BY EXPORTS TO ASEAN

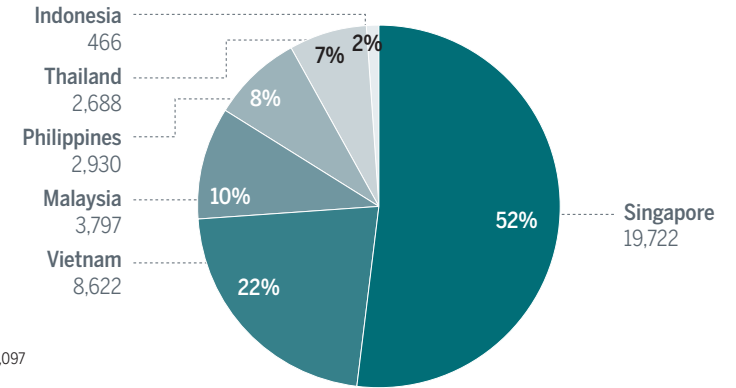


Sources: Estimated by the Trade Partnership (Washington, DC), 2021 data; fDI Markets, 2003-2022 data

In 2021, 25 states had over \$1 billion in goods exports to ASEAN. In per capita terms, trade with the 10 ASEAN member states creates the most jobs in Oregon, North Dakota, the District of Columbia, Minnesota, Kansas, Massachusetts, and California. Trade with ASEAN creates over a quarter of a million jobs combined in California, Texas, New York, Illinois, and Oregon.

Greenfield investment\* from businesses within six ASEAN member states has created an estimated 38,000 jobs in the United States since 2003, including over 6,000 jobs each in North Carolina and California, and over 2,000 jobs in Texas, South Carolina, and New York. Over half of these jobs were created by Singapore-based companies.

## JOBS CREATED BY GREENFIELD INVESTMENT INTO THE UNITED STATES 2003-2022



	JOBS SUPPORTED BY EXPORTS TO ASEAN	JOBS SUPPORTED BY GLOBAL EXPORTS	PERCENT SHARE
Oregon	24,717	168,307	15%
Idaho	3,426	28,260	12%
Wyoming	491	5,331	9%
Montana	1,831	20,642	9%
Mississippi	5,047	60,004	8%

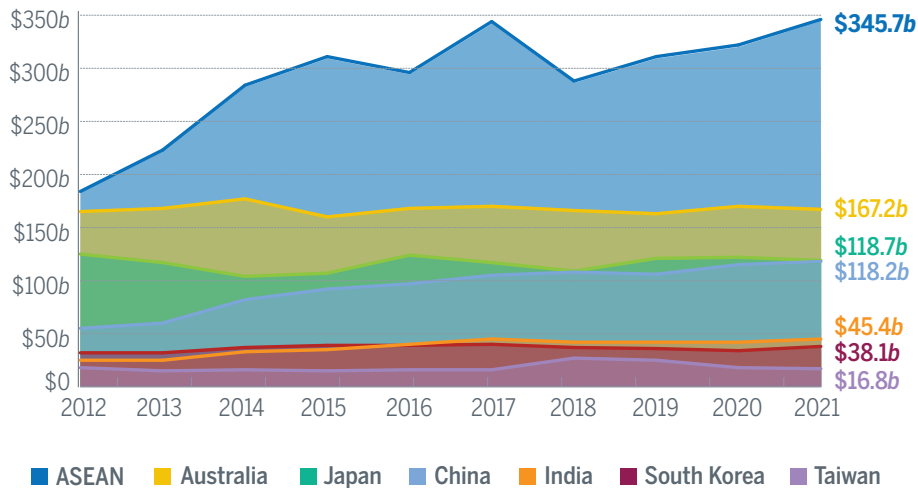
\*Greenfield investment refers to the building or expansion of new facilities rather than purchases or merges with existing companies.

## ASEAN Is the Number One Destination for US Investment in the Indo-Pacific

ASEAN received almost \$346 billion in investment from the United States, more than the United States has directed to China, India, Japan, South Korea, and Taiwan combined. Of this, the United States invested nearly \$295 billion in Singapore alone, making Singapore the number one destination of US investment in the Indo-Pacific and the 7<sup>th</sup> largest recipient worldwide. US direct investment in ASEAN accounts for over one-third of US investment into the Indo-Pacific.

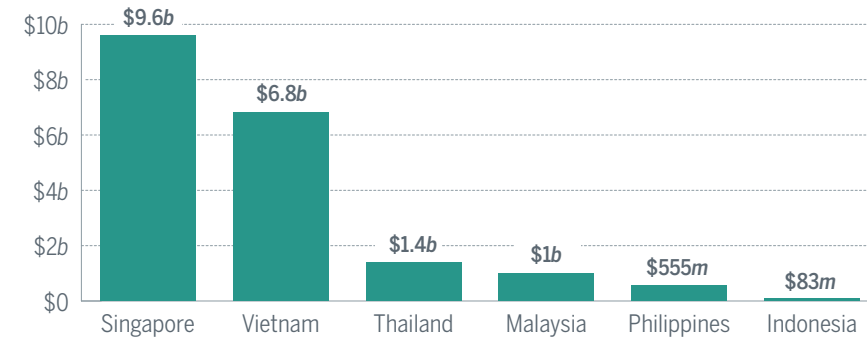
ASEAN member states have invested over \$34 billion into the United States. Singapore is the largest investor among ASEAN member states, with over \$30 billion invested, followed by Thailand (\$1.7 billion) and Malaysia (\$1.1 billion). Since 2003, businesses located in six ASEAN countries have invested \$19.5 billion in greenfield projects in 34 states and the District of Columbia. To date, North Carolina and West Virginia have received the most greenfield investment from businesses within ASEAN, receiving \$6.2 billion and \$3 billion, respectively. California, New York, and Texas lead in terms of number of projects and investing companies.

### US DIRECT INVESTMENT POSITION IN THE INDO-PACIFIC

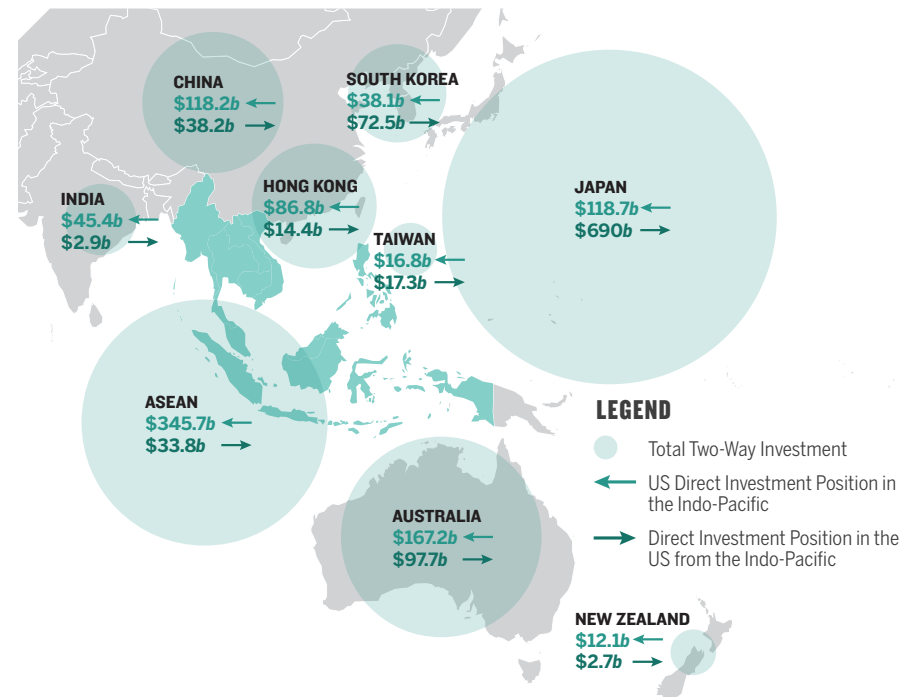


Sources: US Bureau of Economic Analysis, Direct Investment Position on a Historical Cost Basis, 2012-2021 data; fDi Markets, 2003-2022 data

## GREENFIELD INVESTMENT INTO THE UNITED STATES SINCE 2003



## US-ASEAN DIRECT INVESTMENT POSITION IN A REGIONAL CONTEXT



## CORPORATE INVESTMENT

More than 6,200 US companies operate in ASEAN. Many of these companies use ASEAN as a production platform to export within the region and to other parts of the world, leveraging ASEAN's free trade agreements with many other Indo-Pacific countries. US companies in ASEAN, many of whom operate in multiple ASEAN member states, create significant business linkages involving local suppliers and contractors from the region. According to the 2022 ASEAN Business Outlook Survey, 89% of US companies expect that their trade and investment in ASEAN will increase over the next five years.

In March 2023, the US Department of Commerce's International Trade Administration led over 100 American businesses representing over 20 industry sectors to several ASEAN member states for Trade Winds ASEAN, the largest US government-led annual trade mission and business development forum. During the three-day business forum in Bangkok, US businesses met with US commercial diplomats and trade experts from over 20 countries across the Indo-Pacific. Commerce officials also led delegations of US companies on trade mission stops in Vietnam, the Philippines, Singapore, Malaysia, and Indonesia to meet with foreign government leaders, market experts, and pre-vetted potential business partners.

## US COMPANIES OPERATING IN ASEAN MEMBER STATES\*



During Trade Winds ASEAN, Assistant Secretary of Commerce for Global Markets Arun Venkataraman led 16 US businesses on a mission stop in Indonesia. (Photo Credit: International Trade Administration)

## SELECTED STORIES

### VINFAST

VinFast is an innovative, full-scale mobility platform focused primarily on designing and manufacturing premium EVs, electric scooters and electric buses. Founded in 2016, VinFast is the first and only automotive manufacturing company from Vietnam. VinFast focuses strategically and exclusively on EVs and fully phased out production of ICE vehicles in 2022 in order to execute on its vision of creating an e-mobility ecosystem built around customers, community and connectivity alongside its new vehicle roll-out. VinFast has delivered approximately 102,000 cars and over 177,000 e-scooters through the end of May 2023.

VinFast entered the US market in 2021 and in July 2023, held the groundbreaking ceremony for its manufacturing facility, which will be built at the Triangle Innovation Point in Chatham County, North Carolina. With an approximated investment of USD 2 billion in phase 1, VinFast's factory is designed to reach a capacity of 150,000 vehicles per year in the first phase and will help generate thousands of new jobs.

### CHEVRON

Chevron is one of the world's leading integrated energy companies and a proud partner with countries in ASEAN, where it has had a presence for nearly a century. Chevron believes affordable, reliable, and ever-cleaner energy is essential to achieving a more prosperous and sustainable world. Chevron produces crude oil, natural gas, and LNG; manufactures transportation fuels, lubricants, petrochemicals, and additives; and develops technologies that advance a lower-carbon future for ASEAN and the world more broadly. Chevron aims to be a regional and global leader in health, safety, and environmental performance.

\*Companies indicate US parent companies with subsidiaries in ASEAN member states as recognized by Uniworld.

Sources: Uniworld Business Publications (accessed June 2023), AmCham Singapore, 2022 ASEAN Business Outlook Survey

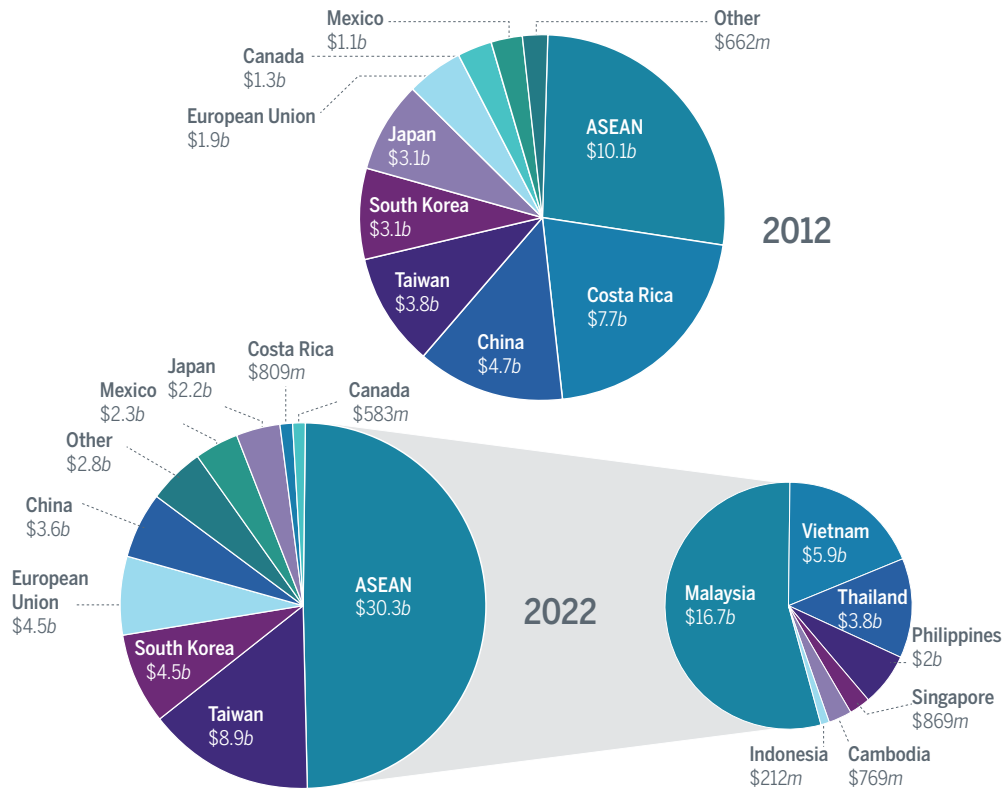


## ASEAN Is a Key Partner in Creating Resilient Supply Chains

The COVID-19 pandemic exposed weaknesses in global supply chains as major disruptions in manufacturing and logistics have reverberated throughout the global economy. Diverse, secure supply chains are crucial to US economic and national security.

ASEAN is playing an increasingly important role as a supplier of electronic components. Six ASEAN countries—Vietnam, Malaysia, Singapore, Thailand, the Philippines, and Indonesia—make up nearly 16% of global production exports of electronic components, including semiconductors. This is more than Taiwan with 7%, South Korea with 6%, and Japan with 4%. Malaysia has 6.7 times the export share of electronic components relative to the world average, while the Philippines has 5.8 times.

### CHIP EXPORTS TO THE UNITED STATES 2012 VS. 2022



In response to the global chip shortage that disrupted production of the US automotive industry and other sectors, the United States and Malaysia signed a Memorandum of Cooperation to strengthen semiconductor supply chain resiliency. To prevent reliance on China for semiconductor production and testing, US companies have been turning to Southeast Asia for investment. In 2021, Intel Corp announced it will invest over \$7 billion to build a new chip packaging and testing plant in Malaysia. Advanced Micro Devices' (AMD) local supplier, TF AMD Microelectronics, is investing almost \$500 million in a new manufacturing facility in Penang, Malaysia.

In the first four months of 2023, ASEAN has supplied half of all US chip imports. Malaysia is the largest supplier of chips to the United States, accounting for 21% of US global chip imports. Taiwan was ranked second with 14%, followed by Vietnam with 11%, and Thailand with 10%. Compared to the same period in 2022, Cambodia has seen its chip exports to the United States spike by 528%, while Indonesia's jumped 214%.

### ELECTRIC VEHICLE SUPPLY CHAIN RESILIENCY

Southeast Asia is also rich in nickel, a critical mineral used in electronics, new energy technologies, and batteries including lithium-ion batteries for electric vehicles (EV). With over 48% of the global nickel mine production, Indonesia is the world's largest mined nickel producer, followed by the Philippines at 10%. In comparison, the United States accounts for less than 1% of global nickel production. Lacking its own nickel resources and refining capabilities, the United States is dependent on nickel and intermediate product imports.

As global demand for nickel continues to rise, ASEAN has become a key player in the EV battery supply chain and a hotspot for foreign investment in the sector. In 2020, Indonesia implemented a ban on all exports of nickel ore to boost its role in the processing of nickel ore into intermediate products with the goal of eventually creating an integrated EV supply chain that includes battery and EV production. The country has already attracted significant foreign investment. It is estimated Chinese companies have invested \$30 billion in Indonesia's nickel supply chain. In 2022, South Korea's Hyundai Motor Group opened its first EV factory in Indonesia.

Some US companies are also turning to ASEAN. Ford Motor Co. struck a \$4.5 billion nickel production deal in Indonesia alongside PT Vale Indonesia and China's Zhejiang Huayou Cobalt Co. However, there are rising concerns surrounding environmental and labor safety protections. Industry leaders have pointed to IPEF as a framework to achieve supply chain integration while upholding safety standards. As Indonesia and the Philippines are projected to occupy growing shares of global nickel production, maximizing US EV supply chain resiliency will require greater US-ASEAN cooperation to meet future nickel demand. Through the US-ASEAN Electric Vehicle Initiative, the partners have committed to cooperating on the integration and deployment of EV infrastructure in ASEAN.

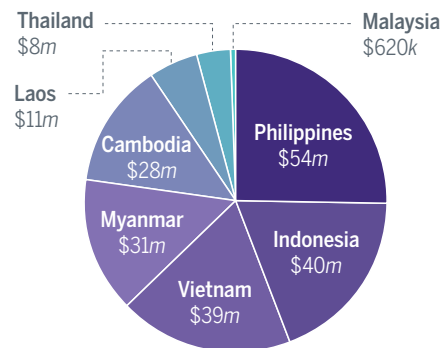
Sources: US Census Bureau, 2012, 2022, 2023 data; S&P Global, US Department of Commerce, US Geological Survey, International Energy Agency, World Energy Outlook Special Report, National Bureau of Asian Research, Center for Strategic and International Studies, Lowy Institute

## The United States Supports ASEAN's Healthcare Resilience

Between 2015 and 2021, the United States has spent \$1.9 billion to support public health in ASEAN across nearly 4,000 projects. In 2019, the United States and ASEAN launched the US-ASEAN Health Futures initiative, which aims to accelerate joint health research, strengthen health capacity across the region, and develop the next generation of human capital. At the 9<sup>th</sup> annual US-ASEAN Summit, President Biden pledged to expand this initiative with an additional \$40 million investment. Under this initiative, the United States and ASEAN have collaborated on controlling the HIV/AIDS epidemic, expanding safe water access, improving maternal and child health care, and reducing tuberculosis and malaria in the region.

During the COVID-19 pandemic, the United States supplied seven ASEAN countries with 126 million doses of the vaccine collectively. Indonesia received over 42 million doses from the United States, accounting for over 6% of all US vaccines distributed worldwide. The United States provided over \$200 million in emergency health and humanitarian assistance to eight ASEAN countries for COVID-related assistance. To enhance future pandemic preparedness and promote greater coordination, USAID has partnered with ASEAN to develop the ASEAN Public Health Emergency Coordination System. In August 2021, the US Centers for Disease Control and Prevention opened a Southeast Asia regional office in Hanoi, Vietnam.

### US HEALTH AID TO ASEAN IN FISCAL YEAR 2022



ASEAN countries have also made significant contributions to the healthcare system in the United States. The Philippines is the number one country of origin of all immigrant healthcare professionals in the United States with 349,000 healthcare workers, including 11,000 physicians and surgeons and 147,000 nurses. Over 75,000 Vietnamese Americans work in healthcare in the United States, making up the 10<sup>th</sup> largest group of immigrant healthcare workers.

## PROGRESS TOWARDS SUSTAINABLE DEVELOPMENT GOALS AND UNIVERSAL HEALTH COVERAGE

The United States is committed to supporting ASEAN member states in achieving the Sustainable Development Goals (SDGs) laid out in the United Nations 2030 Agenda for Sustainable Development, including SDG 3 of Good Health and Wellbeing. This includes building resilient health supply chains. The US International Development Finance Corporation (DFC) will partner with the Quadria Capital Fund III to invest \$75 million in strengthening healthcare systems and building resilient health supply chains across Southeast Asia. This partnership will increase access, affordability, awareness, and quality of healthcare services for low-and middle-income individuals in the region.

Universal health coverage (UHC) is a key target under SDG 3, and means that all people have access to quality essential health services without incurring financial hardship. The UHC service coverage index measures progress towards UHC on a unitless scale of 0 to 100.

Universal healthcare is being adopted by ASEAN member states. Indonesia has one of the world's largest universal healthcare programs, covering 83% of the population, or approximately 220 million people. As coverage expands, individual out of pocket costs have declined from 47% to 32% of spending on healthcare between 2014 and 2019. In Thailand, where a universal health coverage policy has been in place since 2002, out of pocket costs have dropped to 11% of current health expenditure. Singapore has a robust universal healthcare system and ranked 12<sup>th</sup> in the 2021 World Index of Healthcare Innovation.

ASEAN UHC SERVICE COVERAGE INDEX	2015	2021	CLASSIFICATION OF COVERAGE
Brunei	75	78	High
Cambodia	56	58	Medium
Indonesia	50	55	Medium
Laos	47	52	Medium
Malaysia	75	76	High
Myanmar	53	52	Medium
Philippines	57	58	Medium
Singapore	87	89	Very High
Thailand	76	82	Very High
Vietnam	68	68	High

Sources: US Department of State, Foreign Assistance.gov, FY2022 data, Migration Policy Institute Civilian Employed Immigrant Workers, 2021 data; The White House, World Bank, Out-of-pocket expenditure; International Trade Administration, World Health Organization Database

## The United States and ASEAN Are Important Partners in Combating Climate Change

Without serious action to address climate change, the Asian Development Bank estimated Southeast Asia is at risk of losing up to 11% of GDP by 2100—a much larger loss than other regions face. At the inaugural US-ASEAN Special Summit in Washington, DC, ASEAN and the United States pledged to collaborate on progressing the clean energy transition, reducing methane emissions, increasing ASEAN’s climate disaster resiliency, developing low-carbon technologies, and conserving ASEAN’s biodiversity under the US-ASEAN Climate Futures.

### ADDRESSING ASEAN’S PLASTIC WASTE CHALLENGE

Plastic pollution is a significant contributor to contemporary climate challenges. ASEAN countries generate over 31 million tons of plastic waste per year, of which it is estimated 16.8 million tons is never collected.

Since China implemented a ban on plastic waste imports in 2017, many countries have diverted their exports to ASEAN. Between 2016 and 2018, ASEAN plastic waste imports increased by 182% overall. ASEAN imported over \$2 billion worth of plastic waste from 2017 to 2021, amounting to over seven million tons. In this period, the United States was the 2<sup>nd</sup> largest plastic waste exporting country to ASEAN. Despite being the largest global importers, Southeast Asian countries also have the highest mismanagement rates of plastic, meaning plastic waste often ends up in dumping sites and uncontrolled landfills. Indonesia’s plastic mismanagement rate is 83%, while Thailand’s is 75% and Malaysia’s is 57%.

The ASEAN Regional Action Plan for Combating Marine Debris (2021-2025) urges ASEAN member states to implement stricter regulations on the use of plastic, develop quality standards for recycled plastics, and address the plastic waste trade. Some ASEAN countries have already implemented national policies to limit plastic waste imports.

The US-Singapore Third Country Training Program has been expanded to include new courses on climate change, including a workshop on ASEAN’s plastic pollution challenge and waste management strategies. Launched in 2022, USAID’s Save Our Seas Initiative is working to combat ocean plastic pollution in 14 countries, including Vietnam, Indonesia, and the Philippines. Under this initiative, USAID has partnered with Circulate Capital to support local Indonesian waste management recycling companies. PT Prevented Ocean Plastic Indonesia has already doubled its capacity to collect plastic waste for recycling to over 10 metric tons per day.

Sources: Asian Development Bank, ISEAS-Yusof Ishak Institute, The White House, US Embassy & Consulates in Indonesia; ASEAN Secretariat, Ministry of the Environment and Water Resources Singapore, UN Comtrade Database, 2016-2021 data; USAID.

## PROMOTING A CIRCULAR ECONOMY

A circular economy reduces waste and resource consumption by incentivizing reuse and promoting product redesigns that are less resource intensive. ASEAN’s rapid growth over the past two decades has fueled large-scale production and consumption. In 2021, ASEAN adopted a Framework for Circular Economy, which outlines a path towards a new economic model that emphasizes resource efficiency and sustainable growth. This includes promoting the development of regional value chains, technology sharing among ASEAN member states, trade openness, and digitalization.

At the national level, ASEAN countries have begun implementing plans for waste management and circular economy. Six ASEAN countries—Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam—have implemented environmental, social, and governance risk disclosure requirements for listed companies. Singapore has set a goal of 30% waste-to-landfill reduction to extend the lifespan of the Semakau landfill beyond 2035. To achieve this, Singapore’s environment agency implemented mandatory packaging reporting and oversees a food waste reduction outreach program.

Given Southeast Asia’s accelerated industrialization, natural resources, and economic integration, ASEAN has the opportunity to play a leading role in the global transition to a circular economy.

### SELECTED STORY

#### THE COCA-COLA COMPANY

The Coca-Cola Company is committed to refreshing consumers and making a difference through their brands, local business presence, and sustainability initiatives across Southeast Asia. As part of their World Without Waste sustainable packaging agenda, they aim to collect and recycle the equivalent of every bottle or can they sell by 2030. To support packaging circularity, they’ve rolled out 100% recycled PET Coca-Cola bottles (excluding caps and labels) in several countries in ASEAN and their bottling partners have established bottle-to-bottle PET recycling plants in the Philippines and Indonesia.

Their long-standing community water programs focus on replenishing the water they use in their beverages. They’ve partnered with various organizations to increase water access and water security through initiatives like AquaTower water filtration systems in Cambodia, water reservoirs in Indonesia, water retention ponds in Thailand, and reforestation projects in the Philippines. Through these efforts, they aim to create a positive impact on the environment and communities they serve while building a better shared future. Learn more about their sustainability initiatives at: <https://www.coca-colacompany.com/sustainability>



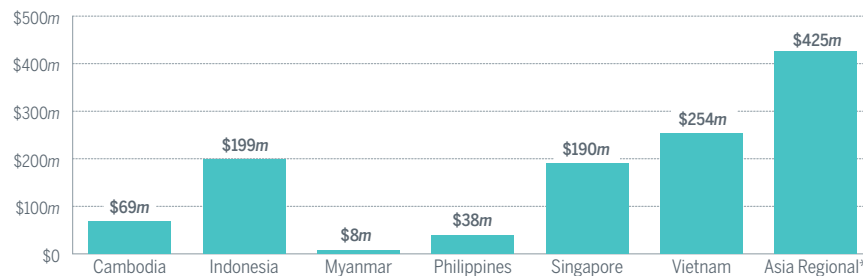
## Infrastructure Development in ASEAN Is a Top Priority for Member States

To maintain current levels of economic growth, ASEAN requires \$2 trillion of investment in its road, rail, port, airport, power, water, and telecommunications infrastructure, according to McKinsey.

The United States has multiple initiatives to support such infrastructure investment. President Biden announced the US-ASEAN Platform for Infrastructure and Connectivity, a co-development mechanism that supports ASEAN initiatives to enhance regional connectivity and facilitate infrastructure investment. The US-ASEAN Transportation Dialogue Partnership's Four-Year Work Plan (2022-2025) promotes new air, land, and maritime transportation programs with an emphasis on sustainable and resilient infrastructure. The US International Development Finance Corporation (DFC) has invested almost \$2 billion to support projects in ASEAN countries. In fiscal year 2022, there were 15 active DFC projects in ASEAN, with over \$505 million in committed funds.

The US-ASEAN Smart Cities Partnership promotes US private sector engagement in ASEAN to create smart, sustainable city solutions. Programs have been implemented in various sectors, including transportation, water, waste management, and technological innovation. The US-ASEAN Water Smart Engagement is a two-way exchange program between urban water and sewerage entities to facilitate collective capacity building, strengthen water security in ASEAN, and increase technological exchange. To promote smart sustainable mobility, municipal transportation authorities and public works officials from four ASEAN cities are working with US counterparts on priority projects to implement sustainable urban transportation planning and solutions.

### US INTERNATIONAL FINANCE DEVELOPMENT CORPORATION ACTIVE COMMITMENTS 2019-2022



\*Asia Regional includes projects across multiple countries in Asia, including Southeast Asia.  
Sources: DFC Active Projects Database, 2019 to 2022 data (updated 3/31/2023); Global Electricity Review 2023, Ember Yearly Electricity Dataset 2012-2021 data.

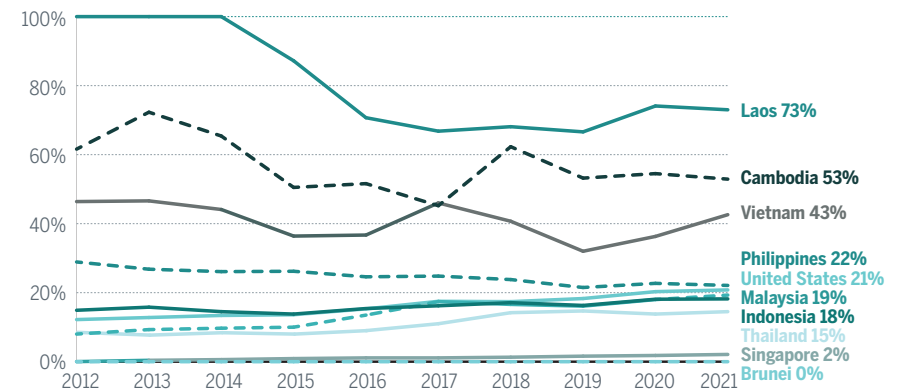
## ASEAN RENEWABLE ENERGY

Although ASEAN remains heavily dependent on coal and other fossil fuels for energy, the region has made strong renewable energy commitments, including 23% of energy through renewables by 2025 and 32% reduction in energy intensity from 2005 levels. Eight ASEAN countries have also pledged to achieve net-zero emissions by 2050. However, in 2021 ASEAN only had a 14% share of renewable energy. The ASEAN Centre for Energy estimates regional energy demand will triple by 2050 from the 2020 level, with fossil fuels continuing to supply a majority of energy needs. To achieve net-zero emissions and a 65% renewable energy share by 2050, it is estimated ASEAN requires over \$7 trillion in total energy investments to enhance its renewable power capacity, power grids, infrastructure, and energy efficiency.

The United States is committed to supporting ASEAN's clean energy transition. In fiscal year 2021, the US Clean EDGE Asia - Enhancing Development and Growth through Energy program mobilized nearly \$6 billion in clean energy investments in Southeast Asia. Through its leading role in the Group of Seven's Partnership for Global Infrastructure Investment, the United States has signed Just Energy Transition Partnerships with Indonesia and Vietnam to mobilize over \$15 billion each in the next 3-5 years to accelerate their clean energy transitions. The United States and Indonesia also announced a strategic partnership to support Indonesia as a first mover in the region on small modular reactor deployment in ASEAN markets using US technology from NuScale Power.

ASEAN recognizes the critical role of the ASEAN Power Grid, a plan to integrate the national power systems of its 10 member states to enable more renewable energy trade. The Laos PDR-Thailand-Malaysia-Singapore Power Integration Project is an important step towards this goal. The project will export 100 megawatts of renewable hydropower from Laos to Singapore via Thailand and Malaysia, the first electricity trade involving four ASEAN countries.

### SHARE OF RENEWABLES IN ELECTRICITY GENERATION\*\*



\*\*Data not available for Myanmar.

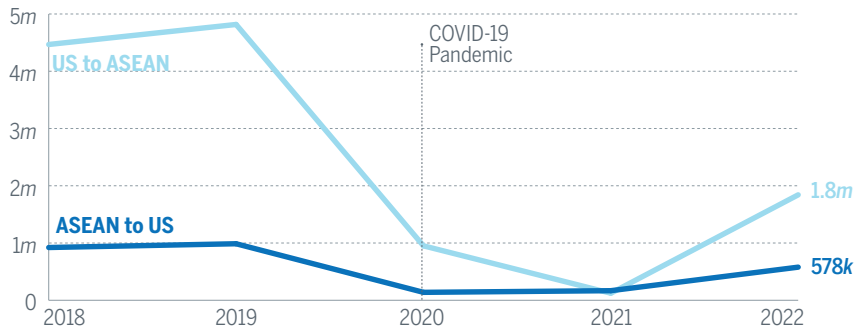
# Visitors From ASEAN add Nearly \$3.5 Billion to the US Economy per Year

While the COVID-19 pandemic decreased international travel by 74% globally, ASEAN's tourism industry is rebounding. In 2022, US visitors to ASEAN increased by 1,393% from the previous year up to 1.8 million visitors, while ASEAN visitors to the United States increased by 246% in the same period, up to 578,000 visitors. The Philippines, Thailand, Singapore, Vietnam, and Indonesia are the top five destinations in ASEAN, with over 1.6 million visitors from the United States combined in 2022. American tourists contribute significantly to ASEAN economies. The average American tourist spends about \$138 a day in Thailand with an average length of stay of 14 days. In total, Americans contributed \$2.2 billion to Thailand's economy in 2019. Direct flights between the United States and ASEAN connect six US cities and three ASEAN cities. The inaugural flight from San Francisco to Ho Chi Minh City in November 2021 marked the first non-stop flight from the United States to Vietnam.

## ASEAN VISITOR SPENDING IN THE US

1	California	\$643m
2	New York	\$357m
3	Texas	\$298m
4	Georgia	\$187m
5	Illinois	\$181m
6	Florida	\$175m
7	Massachusetts	\$172m
8	New Jersey	\$118m
9	Washington	\$107m
10	Pennsylvania	\$103m

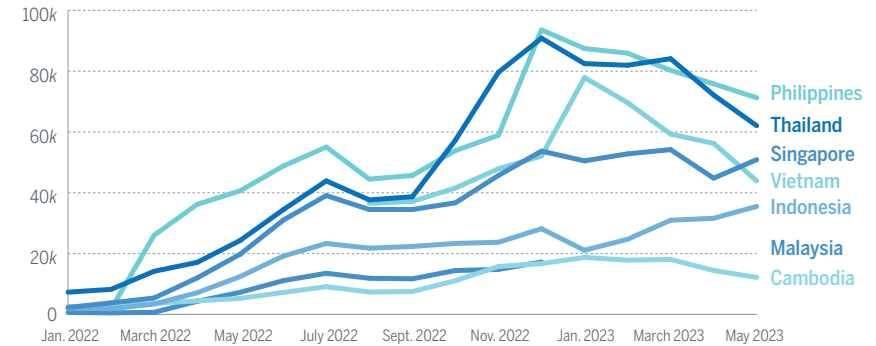
## ANNUAL ASEAN AND US TOURISTS 2018-2022



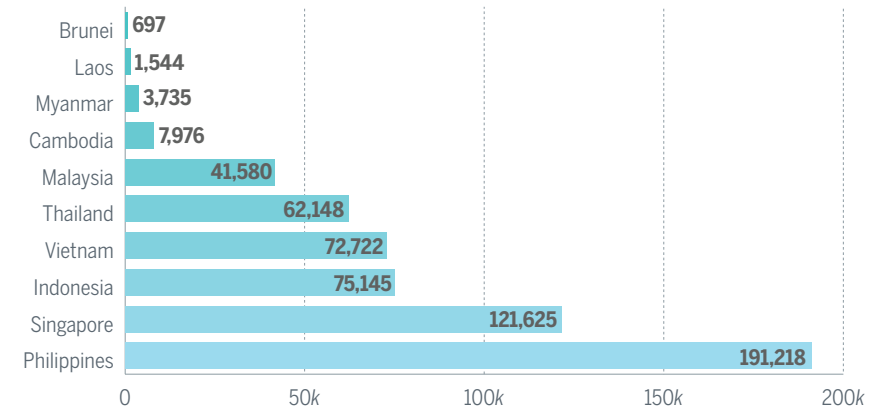
\*Myanmar is not included because there were less than 1,000 monthly visitors. Monthly data not available for Brunei and Laos.

Sources: Visitor spending estimated by the Trade Partnership (Washington, DC), 2021 data; International Trade Administration, ADIS/I-94 Visitors Arrivals Data (Country of Residence); Philippines Department of Tourism, Vietnam National Administration of Tourism, Singapore Tourism Board, Statistics Indonesia, NagaCorp, Tourism Malaysia, Thai Ministry of Tourism & Sports, Myanmar Ministry of Hotels & Tourism, Laos Ministry of Information, Culture, and Tourism, Brunei Ministry of Primary Resources and Tourism, United Nations World Tourism Organization, Thailand Statistical Yearbook 2022.

## US VISITORS TO ASEAN BY MONTH\*



## ASEAN VISITORS TO THE UNITED STATES IN 2022



## SELECTED STORY

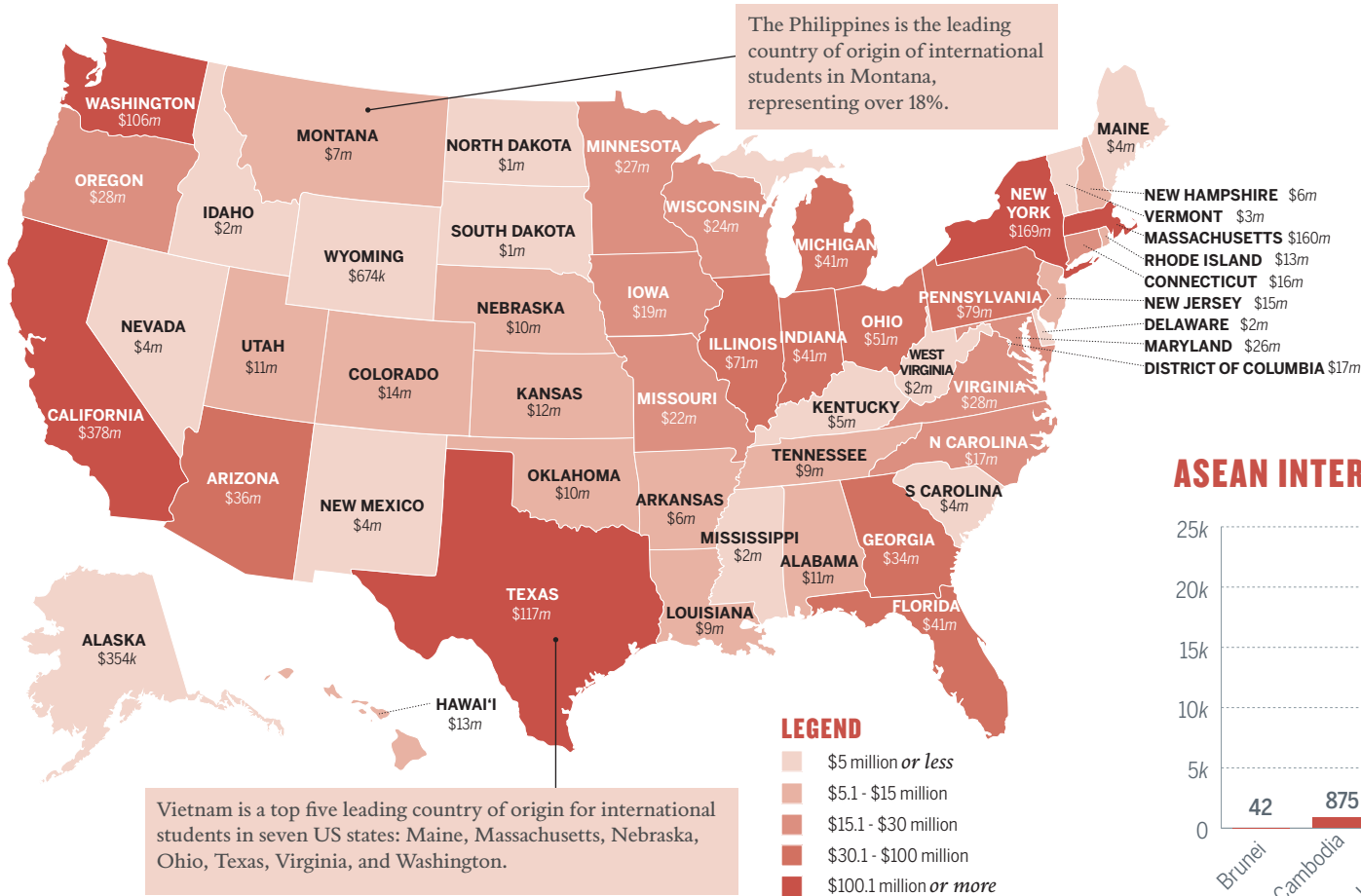
### EXPEDIA GROUP

Expedia is one of the fastest growing online travel portals in Asia, offering travellers an extensive selection of hotels, activities and travel services to meet every budget and activities of every kind at competitive rates. With over hundreds of thousands of hotel partners worldwide and a comprehensive offering of flight inventory made available on the website, travellers can book everything they need for a holiday - rooms to meet every budget, activities of every kind and travel services to complement.

# ASEAN Students Contribute Over \$1.7 Billion to the US Economy Annually

Almost 50,000 students from ASEAN member states study in the United States per year, comprising over 5% of all international students. This includes over 11,000 students from ASEAN pursuing graduate-level degrees at US universities. Over 20,000 students come from Vietnam alone, the most of any ASEAN member state and the 5<sup>th</sup> largest amount from any country globally. Over 8,000 students from Indonesia and 5,000 students from Thailand study in the United States. In the 2021/2022 academic year, students

## ECONOMIC CONTRIBUTION OF ASEAN STUDENTS



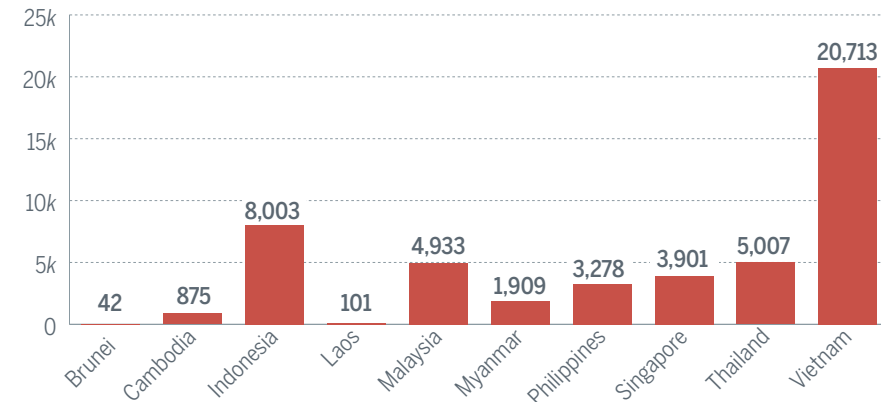
from ASEAN countries increased by almost 1% from the previous year as COVID-19 restrictions have begun to ease worldwide. The top destinations for students in the United States are California, Texas, New York, Massachusetts, and Washington.

Thailand, Singapore, and Indonesia are the most popular destinations in ASEAN for study abroad, with 91% of US students in the region studying in these three countries. Prior to the COVID-19 pandemic, the number of US students studying in ASEAN was steadily rising, reaching over 7,000 students in the 2018/19 academic year. However, the pandemic caused a sharp decrease in US students studying abroad at large, including in ASEAN where there was a 97% decrease of students in the 2020/21 academic year compared to the previous year.

## ASEAN STUDENTS AS A SHARE OF INTERNATIONAL STUDENTS

1	Montana	20%
2	Washington	14%
3	Hawai'i	13%
4	Oregon	11%
5	Nebraska	9%
6	Iowa	8%
7	Nevada	7%
8	Minnesota	7%
9	California	7%
10	Texas	7%

## ASEAN INTERNATIONAL STUDENTS IN THE UNITED STATES



Sources: Institute of International Education (IIE) Open Doors report, 2021/2022 academic year data; NAFSA: Association of International Educators, 2021/2022 academic year data

## SOUTHEAST ASIA STUDIES PROGRAMS AT US UNIVERSITIES

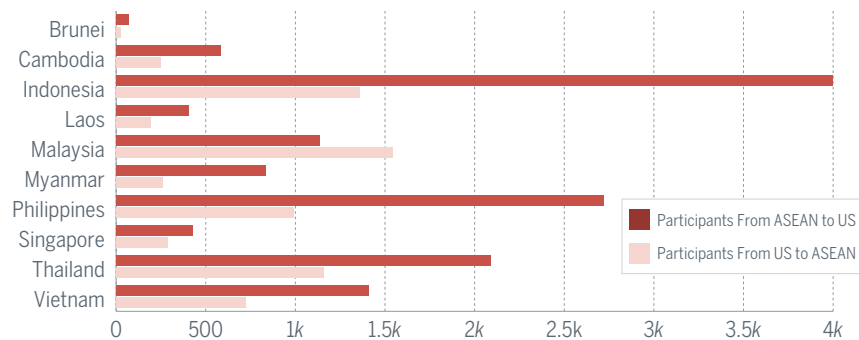
Over 30 universities across the United States offer Southeast Asia studies programs. The Johns Hopkins School of Advanced International Studies (SAIS) in Washington, DC is launching the US-ASEAN Institute for Rising Leaders, which will sponsor 30 mid-career public-service professionals, or up to three professionals from each ASEAN member state, to participate in a leadership development program each year. By bringing together SAIS faculty, policy experts, and industry leaders in the public and private sectors, scholars will gain a deep understanding of international issues and US perspectives. Through classroom and extracurricular activities, the scholars will be equipped with the policymaking skills to serve as the next generation of leaders in Southeast Asia.

The University of Washington Henry M. Jackson School of International Studies' Southeast Asia Center (SEAC) was established in 1986. Funded by the US Department of Education, SEAC serves as a national resource on Southeast Asia, offering both degree programs and professional development workshops for K-12 educators to introduce Southeast Asia curricular materials. It also engages in partnerships with local museums and educational agencies to reach the broader public.

## FULBRIGHT PROGRAM

Since the founding of the Fulbright Program in 1949, over 13,600 students, teachers, and scholars from ASEAN have participated, including nearly 4,000 from Indonesia and over 2,700 from the Philippines. Since 1949, there have been nearly 6,800 American Fulbright participants, with the greatest number engaged in the Malaysia, Indonesia, and Thailand programs. Since 2020, almost 550 students, teachers, and scholars have participated in

## US-ASEAN FULBRIGHT EXCHANGES SINCE 1949



Sources: US Department of State, Fulbright Foreign Scholarship Board Annual Report, 1949-2017, Fulbright Scholar Directory, Fulbright US Student Directory, Fulbright Foreign Student Directory, The White House, Johns Hopkins School of Advanced and International Studies, University of Washington Henry M. Jackson School of International Studies, US Mission to ASEAN, East-West Center

Fulbright exchanges between the United States and ASEAN. Ahead of the US-ASEAN Special Summit in Washington, DC, President Biden announced that the United States will double the capacity of the Fulbright US-ASEAN Visiting Scholarship Program.

## YOUNG SOUTHEAST ASIAN LEADERS INITIATIVE

The Young Southeast Asian Leaders Initiative (YSEALI) is the US government's signature program to educate and provide skills training to the people of Southeast Asia. YSEALI is open to young people from all ASEAN member countries and Timor-Leste. Since 2013, YSEALI has offered exchanges, regional workshops, small grant funding, and other programs to develop ties between the United States and ASEAN. The YSEALI professional and academic fellowships, for example, connect young Southeast Asian leaders with US universities, businesses, and non-profits. YSEALI programs have more than 6,000 alumni, and more than 150,000 young people belong to the YSEALI Network. In May 2022, President Biden announced the United States will double the size of the YSEALI program within three years, allowing 900 participants to benefit from the YSEALI program each year.



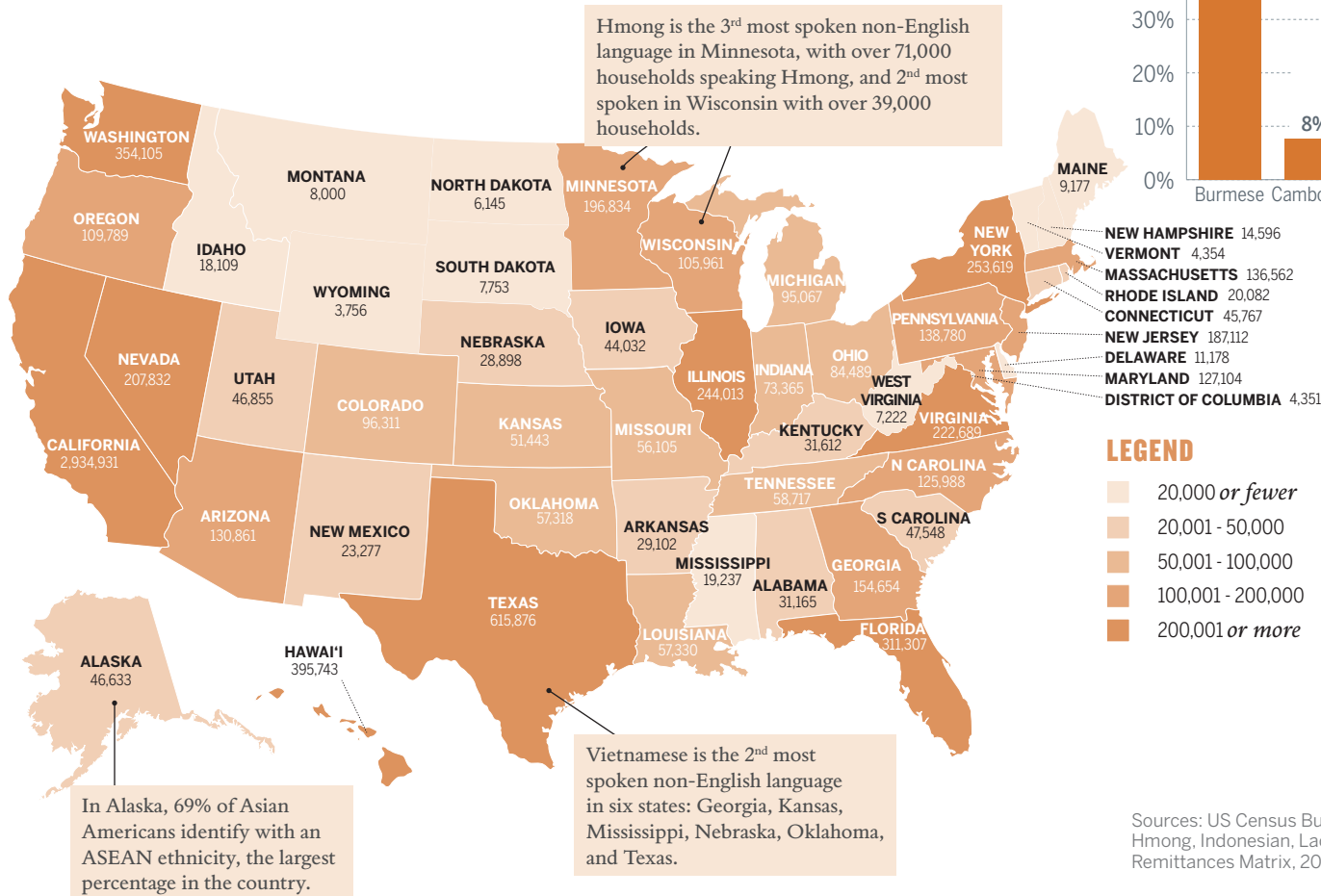
In 2022, the East-West Center welcomed its first YSEALI fellowship cohort to Hawai'i after a long two-year delay due to the global pandemic. (Photo Credit: East-West Center)

The YSEALI Academic Fellowship on Environmental Issues is sponsored by the US Department of State and is run by the East-West Center's Professional Development Program in partnership with the University of Montana. The fellowship is an experiential academic program that invites promising young leaders from across Southeast Asia to live and study in the United States for five weeks. The goal of the East-West Center's YSEALI programming is for participants to explore climate change and the environmental issues of a globalized society while building leadership skills and networks. The fellowship's unique experiential component supports these young leaders after they return home with funding and mentorship to apply environmental solutions learned at the East-West Center through community action projects. Participants share the results of their experiential leadership development at the regional, in-person alumni workshop held every three years.

# Over Eight Million Americans Identify With an ASEAN Ethnicity

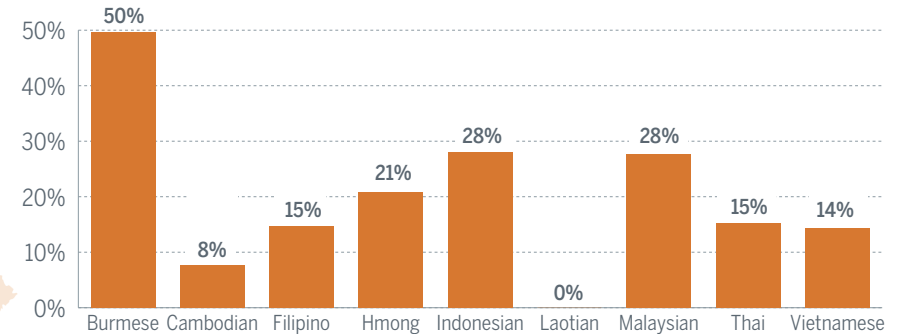
Of the estimated 24 million Asian Americans in the United States, over 8 million identify with one of nine ASEAN ethnicities tracked by the US Census Bureau. Filipino-Americans and Vietnamese Americans are the largest ethnic groups, with populations of over 4 million and 2 million, respectively. In addition, Tagalog (including Filipino) is the 3<sup>rd</sup> most spoken non-English language in American households after Spanish and Chinese, while Vietnamese is the 4<sup>th</sup> most common. Hawai'i, California, Nevada, Alaska, and Washington have the highest percentage of populations who identify with an ASEAN ethnicity.

## ASEAN AMERICAN POPULATION BY STATE



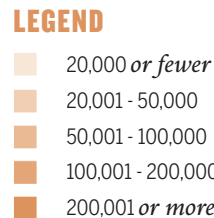
Immigrants from ASEAN member states account for over 11% of all naturalizations in the United States, and almost 41% of naturalizations by Asians. Remittances—funds that immigrants send to individuals in their home countries—represent a major financial flow between the United States and ASEAN. The Philippines received an estimated \$12.8 billion in remittances from the United States in 2021, making it the 4<sup>th</sup> largest destination for US remittances, and comprising almost 35% of all remittances sent to the country. Vietnam is the 7<sup>th</sup> largest destination for US remittances, receiving almost \$7.9 billion in 2021.

## ASEAN ETHNICITY POPULATION GROWTH IN THE US SINCE 2015



## SHARE OF STATE POPULATION WHO IDENTIFY WITH AN ASEAN ETHNICITY

1	Hawai'i	27%
2	California	7%
3	Nevada	7%
4	Alaska	6%
5	Washington	5%
6	Minnesota	4%
7	Oregon	3%
8	Virginia	3%
9	Texas	2%
10	Maryland	2%



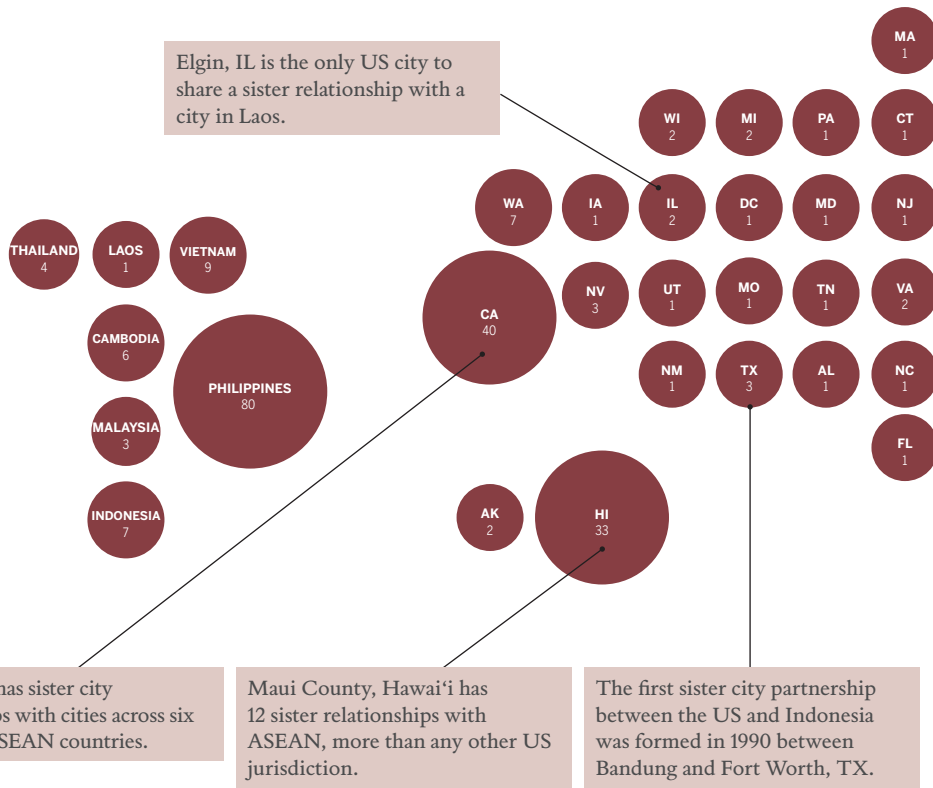
Sources: US Census Bureau, American Community Survey, 2021 Burmese, Cambodian, Filipino, Hmong, Indonesian, Laotian, Malaysian, Thai, and Vietnamese five-year estimates; World Bank Remittances Matrix, 2021 data; DHS Bureau of Immigration Statistics, 2021 data



# The United States and ASEAN Share 110 Sister Partnerships

Sister partnerships are local relationships between cities, counties, provinces, and states with similar jurisdictions. These relationships build ties between communities and support personal, commercial, and cultural initiatives. Seven ASEAN member states link to 23 US states and the District of Columbia through 81 sister city, 9 sister state, and 20 sister county connections.

## US-ASEAN SISTER PARTNERSHIPS



Sources: Sister Cities International, Individual sister city associations, The Phnom Penh Post, Greater Seattle Vietnam Association, Pew Research Center, US Embassy & Consulate in Vietnam, City of Virginia Beach, National Geographic

## SELECTED STORIES

### LONG BEACH, CA AND PHNOM PENH, CAMBODIA (EST. 1993)

With roughly 20,000 Cambodian Americans residing in Long Beach, the city is among the world's largest populations of Cambodians outside of Cambodia. In 2007, Long Beach established a Cambodia Town, also referred to as Little Phnom Penh, that features Cambodian-owned businesses, temples, and restaurants. Local nonprofits host an annual Cambodian Restaurant Week to honor Cambodian culture and support local restaurants. In 2019, then-Mayor of Long Beach Robert Garcia led a delegation to Cambodia to meet with government officials to discuss strengthening trade ties and cultural exchange. Long Beach is in the process of developing a Cambodian American Cultural Center to showcase and preserve Khmer arts, history, and cultural traditions.

### SEATTLE, WA AND HAIPHONG, VIETNAM (EST. 1996)

Seattle is home to roughly 74,000 Vietnamese Americans, making it the 6<sup>th</sup> largest Vietnamese population in the United States. In collaboration with the Greater Seattle Vietnam Association, the Seattle-Haiphong Sister City Association supports the activities of the Hoa Phuong orphanage in Haiphong, provides critical supplies like desks and household appliances to the Thanh Xuan clinic for HIV-infected children, and is contributing to an international cookbook to represent each of Seattle's 19 sister cities. In 2015, USAID launched the Sister Cities Disaster Preparedness Program to improve Haiphong's business resilience and public-private cooperation in disaster planning. The program leveraged the sister city partnership by involving disaster management experts in the Seattle area.

### VIRGINIA BEACH, VA AND OLONGAPO, PHILIPPINES (EST. 2015)

Even prior to formalizing the partnership, Virginia Beach and Olongapo shared a history of exchanging trade, mayoral, and student delegations. With 117,250 Filipino Americans residing in Virginia, Virginia has the 10<sup>th</sup> largest Filipino American population of any US state. Virginia Beach is home to the Philippines Cultural Center of Virginia, where residents can learn Tagalog as well as traditional Filipino dance and martial arts. In 2015, Olongapo's city council visited Virginia Beach to tour its fire training center, fire station, and 911 operations center to inform their own emergency operations. In 2016, as part of a cultural exchange program, cadets from Olongapo became the first foreign cadets to graduate from the Virginia Beach Fire Training Academy.



## ASSOCIATED PUBLICATIONS



## PUBLICATION DESIGN AND ILLUSTRATION

TOP SHELF DESIGN  
Washington, DC  
[www.topshelfdesign.net](http://www.topshelfdesign.net)

JEANETTE SIMMONS  
Infographic and Design Specialist  
East-West Center in Washington

## THE ASIA MATTERS FOR AMERICA INITIATIVE

*Asia Matters for America/America Matters for Asia* is an interactive resource for credible and nonpartisan information, graphics, analysis, and news on US-Indo-Pacific relations at the national, state, and local levels.

[AsiaMattersforAmerica.org](http://AsiaMattersforAmerica.org)

Sources and Methodology can be found at:  
[AsiaMattersforAmerica.org/Sources-And-Methodology](http://AsiaMattersforAmerica.org/Sources-And-Methodology)

# ASEAN MATTERS FOR AMERICA/AMERICA MATTERS FOR ASEAN

US-ASEAN Business Council members contributed toward this initiative.



This project maps the trade, investment, employment, business, diplomacy, security, education, tourism, and people-to-people connections between the United States and ASEAN at the national, state, and local levels. Part of the *Asia Matters for America* initiative, this publication and the [AsiaMattersforAmerica.org](http://AsiaMattersforAmerica.org) website are resources for understanding the robust and dynamic US-ASEAN relationship.

The *Asia Matters for America* initiative is coordinated by the East-West Center in Washington and can be contacted at:

**Asia Matters for America**  
East-West Center in Washington  
1828 L Street, NW, Suite 500  
Washington, DC 20036 USA  
Tel: (+1)202.293.3995  
Fax: (+1)202.293.1402  
[AsiaMatters@EastWestCenter.org](mailto:AsiaMatters@EastWestCenter.org)

The East-West Center is headquartered in Honolulu, Hawai'i and can be contacted at:

**East-West Center**  
1601 East-West Road  
Honolulu, HI 96848 USA  
Main Telephone: (+1)808.944.7111  
[EastWestCenter.org](http://EastWestCenter.org)

ISEAS-Yusof Ishak Institute is headquartered in Singapore and can be contacted at:

**ISEAS-Yusof Ishak Institute**  
30 Heng Mui Keng Terrace  
Singapore 119614  
Tel: (+65)6778.0955  
[ISEAS.edu.sg](http://ISEAS.edu.sg)

The US-ASEAN Business Council is headquartered in Washington, DC and can be contacted at:

**US-ASEAN Business Council**  
1101 17<sup>th</sup> Street, NW, Suite 411  
Washington, DC 20036 USA  
Tel: (+1)202.289.1911  
[USASEAN.org](http://USASEAN.org)

