

The 5th ASEAN Connectivity Forum

29-30 November 2017
Seoul, Republic of Korea

Co-organized by  ASEAN-KOREA CENTRE  K C C I

Supported by



Ministry of
Foreign Affairs



Ministry of Land,
Infrastructure and Transport



ASSOCIATION
OF SOUTHEAST
ASIAN NATIONS



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EXECUTIVE SUMMARY



ASEAN Connectivity

ASEAN has a vision “to achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater sense of Community.” Pursuing this vision, the Leaders of ASEAN recognized the significance of achieving ASEAN Connectivity which has three pillars—physical connectivity, institutional connectivity, and people-to-people connectivity. This is because a well-connected ASEAN will bring its goods, services and the people closer together, creating the foundation for a more resilient, competitive and prosperous ASEAN Community.

Master Plan on ASEAN Connectivity 2025

When the Master Plan on ASEAN Connectivity 2025 (MPAC 2025) was adopted by the ASEAN Leaders at the 28th ASEAN Summit in Vientiane, Lao PDR on 6 September 2016, the world focused its attention on what the new Master Plan has to say in bringing the region closer together into a more seamlessly connected Community. Although it may seem rather ambitious, MPAC 2025 is more focused and practical, with many mechanisms that can be implemented to achieve concrete results. It is said that MPAC 2025 has stronger focus and targets, provides clearer governance and ownership, ensures aligned and streamlined plans, provides greater access to core skills, incentives and finance, proactively engages stakeholders, and allows more robust performance management.

MPAC 2025 is composed of five strategic areas which are Sustainable Infrastructure, Digital Innovation, Seamless Logistics, Regulatory Excellence, and People Mobility. Under Sustainable Infrastructure, which is most relevant to this Forum, there are three strategic objectives and three initiatives. The three strategic objectives of this initiative are first, to increase public and private infrastructure investment in each ASEAN Member State, second, to significantly enhance the evaluation and sharing of best practices on infrastructure productivity in ASEAN, and third, to spread out the deployment of smart urbanization models across ASEAN. In order to achieve these three strategic objectives, the Master Plan offers three initiatives in which the first is establishing a rolling priority pipeline list of potential ASEAN infrastructure projects and sources of funds, the second is establishing an ASEAN platform to measure and improve infrastructure productivity, and third is developing sustainable urbanization strategies in ASEAN cities.

ASEAN Connectivity Forum

In an effort to support the ASEAN Connectivity initiative and specifically the strategic area of Sustainable Infrastructure of MPAC 2025, the ASEAN-Korea Centre has been holding the ASEAN Connectivity Forum in Seoul for five consecutive years since 2013. This annual Forum has been serving as an important platform for the Korean business community and the ASEAN governments to come together, share information on ASEAN Connectivity-related projects, and encourage Public-Private Partnerships (PPP) that will enhance physical connectivity in the region. In short, the Forum has been providing opportunities for the Korean businesses to become active stakeholders in the region's infrastructure development.

The ASEAN Connectivity Forum has been recognized and commended by the leaders of ASEAN and Korea in their Summit Meetings every year. The Chairman's Statement of the 19th ASEAN-ROK Summit held in Manila in 2017 "welcomed the ASEAN Connectivity Forum to facilitate business opportunities and enhance Public Private Partnerships in connectivity projects, as well as [ASEAN-Korea Centre's] hosting of the 5th ASEAN Connectivity Forum on 29-30 November 2017 in Seoul." Also, the Chairman's Statement of the 18th ASEAN-ROK Summit held in Vientiane in 2016 "welcomed the contribution of the ASEAN-Korea Centre for its organization of the annual ASEAN Connectivity Forum to facilitate business opportunities and enhance Public-Private Partnership in connectivity projects."

The Forum was also hailed as a prime example of enhancing connectivity through cooperation between ASEAN and its dialogue partners. At the 20th ASEAN Plus Three Commemorative Summit, the Prime Minister of Singapore Lee Hsien Loong recognized the ASEAN Connectivity Forum as instrumental in creating synergy effect between ASEAN's Master Plan to improve connectivity and East Asian countries' own programmes.

Financing and Procurement for ASEAN Connectivity

To meet the needs of the ASEAN Member States, more than USD 110 billion needs to be invested in infrastructure every year, according to the ASEAN Investment Report 2015. Meanwhile, McKinsey Global Institute estimated that while USD 110 billion in investment is needed in 2015-2025, USD 196 billion will be needed during the period of 2014-2030. However, the extensive scale of infrastructure needs across the whole ASEAN region, and the lack of government funds and insufficient investment returns, often impede private and public infrastructure investment. Furthermore, even in cases where there are attractive investment returns expected, the risks that need to be taken by the private sector may be too great for any investment to be initiated.

In addressing these issues, the first session of the Forum invited Multilateral Development Banks (MDBs) and other relevant organizations to share information on financing and procurement for PPP projects in ASEAN. The Asian Development Bank (ADB) presented its PPP operational framework and modalities and provided information on its new procurement policy and regulations. The World Bank shared knowledge on leveraging government balance sheets to mobilize private financing for infrastructure development, while pointing out some global trends in infrastructure development and those specifically in ASEAN. The Export-Import Bank of Korea (KEXIM) provided the Bank's financial solutions for overseas projects, and shared specific case studies for financing PPP projects in Turkey and Vietnam. Macquarie Capital Korea also discussed the underlying principles of PPPs, how Macquarie has been supporting PPP projects in ASEAN and how Korean companies can work with financial institutions' for PPP projects in ASEAN.

PPP Projects in ASEAN

The ASEAN Member States each have their list of priority PPP projects in the sectors of transport, energy and ICT, which were presented at the second session of the Forum to the Korean business community. The ASEAN government officials not only delivered information on specific projects on their priority list, but also shared their respective country's infrastructure policies, regulations, various trends, and incentives provided by the government to foreign investors. In the area of transport, the countries that presented their projects were Indonesia, Lao PDR, Philippines, Singapore, Thailand, Vietnam and Malaysia. In the energy sector, Cambodia, Lao PDR, Malaysia, and Myanmar presented their projects, and the countries that presented in the ICT sector were Cambodia, Myanmar, Thailand and Vietnam. Active discussions took place after the presentations, testifying to the great interest of potential Korean investors in ASEAN infrastructure projects.

On the second day of the Forum, a total of 70 one-on-one business meetings was held between the Korean businesses and ASEAN government officials and MDBs. The participants exchanged business cards, expanded their network, and had in-depth discussions on possibilities for future collaboration in developing connectivity-related infrastructure in ASEAN.

Korea and ASEAN Connectivity

ASEAN is a huge market with a young population of 640 million, the third largest in the world after China and India. It has a GDP of USD 2.6 trillion, the 5th largest in the world and 3rd largest in Asia. ASEAN has become an important partner for Korea as it is Korea's second largest trading partner and investment destination, as well as the number one travel destination.

Declaring his New Southern Policy with an emphasis on 3Ps (People, Prosperity and Peace), President Moon Jae-in has vowed to bring its relations with ASEAN equivalent to the level of that with the four major powers. He further said that Korea will actively support MPAC 2025 and the Initiative for ASEAN Integration (IAI) Work Plan, which is part of his endeavor to promote mutual prosperity among the peoples of ASEAN and Korea. Also, he said that Korea will "dramatically increase its ASEAN-related fund," and announced plans to

additionally raise USD 100 million to the global infrastructure fund by 2022 to support four key areas of cooperation with ASEAN which are transportation, energy, water management and information technology industries. Furthermore, in regard to supporting the Initiatives of MPAC 2025, Korea has expressed its interest in undertaking a project under Initiative 14, a Study of Vocational Skills Gaps and Technical and Vocational Education and Training (TVET) Standards and Programmes in ASEAN Region at the ASEAN-ROK Summit in Manila.

The ASEAN-Korea Centre has created a Task Force on ASEAN Connectivity, becoming the only organization in Korea that has a dedicated team devoted to ASEAN Connectivity. The Task Force collects latest information on ASEAN connectivity projects, builds up database and provides the information to the Korean business community through workshops, seminars or forum.

With the establishment of ASEAN Connectivity Task Force, the ASEAN-Korea Centre will continue to play its bridging role to enhance ASEAN Connectivity. Furthermore, recognizing that there are great opportunities that cannot be missed in ASEAN, and expecting that there will be unprecedented support from the Korean government for expanding ASEAN-Korea partnership, the ASEAN-Korea Centre will exert its utmost efforts to explore more avenues with an objective of strengthening cooperation between ASEAN and Korea.

REMARKS

**Opening Remarks by H.E. Ambassador Kim Young-sun
Secretary General of the ASEAN-Korea Centre**



Let me begin by welcoming all of you to the 5th ASEAN Connectivity Forum. I would first like to thank our co-organizer, Korea Chamber of Commerce and Industry, for their valuable support and contribution to the Forum. I would also like to thank our honored guests, speakers, and participants for your presence today.

During the last five years, the ASEAN-Korea Centre has strived to support ASEAN in its Community-building efforts by backing the ASEAN Connectivity initiative. While there is a lot to do in pursuing and achieving a seamlessly and comprehensively connected and integrated ASEAN, the Centre has insisted in providing a platform that would encourage the ASEAN Governments and the Korean private sector to work together to build ASEAN Connectivity-related infrastructure, and for both sides to gain win-win results.

And the Connectivity Forum this year, is more timely and meaningful than ever. As you all know, Korean President Moon Jae-in visited ASEAN a few weeks ago. During his trip, President Moon unveiled the “ASEAN-ROK Future Community Vision,” promising to elevate Korea’s relations with ASEAN. He suggested a vast area for cooperation with a particular emphasis on the Korean government’s support for ASEAN Connectivity.

Excellencies, Ladies and Gentlemen,

Connectivity is a key element in achieving mutual prosperity between ASEAN and Korea. 10 ASEAN Member States have strived to enhance regional integration with a vision toward

a more seamlessly connected ASEAN Community. Korea, one of the important dialogue partners of ASEAN, has supported this effort by encouraging more Korean business communities to take part in infrastructure projects in the region, simultaneously opening up business opportunities for Korean companies. As President Moon pledged to add 100 million US dollars by 2020 to Korea's Global Infrastructure Fund to support Korea's cooperation with ASEAN in the areas of transportation, energy, water management and information technology industries, cooperation between ASEAN and Korea in infrastructure sectors will be further accelerated.

In this regard, today's Forum serves as a foundation for a stronger partnership between ASEAN and Korea. Recognized by the ASEAN and Korean leaders at the 19th ASEAN-ROK Summit in Manila this year, the Forum will continue to offer a practical platform for the ASEAN public and Korean private sectors to discuss tangible opportunities in ASEAN Connectivity.

At the first session of the Forum, presenters from multilateral development banks will provide information on procurement procedures and financial solutions on Public-Private Partnership projects in ASEAN. Later in the second session, ASEAN government officials will present national and cross-border connectivity-related projects in the sectors of Transport, Energy and ICT. Lastly, there will be one-on-one business meetings tomorrow between Korean businessmen and ASEAN government officials and stakeholders to expand their networks and seek possible collaboration opportunities in ASEAN infrastructure projects.

Excellencies, Ladies and Gentlemen,

The Master Plan on ASEAN Connectivity 2025 predicts that 3.3 trillion US dollars in investment will be required in ASEAN by 2030. In order to meet the needs of the ASEAN Member States, private sector engagement is essential to enhance connectivity in ASEAN, particularly through Public-Private Partnership frameworks.

With this in mind, I hope that today's Forum will provide an opportunity that brings stronger ties among various stakeholders in ASEAN connectivity. There is a well-known saying that "the path to greatness is along with others." I believe the path toward greater connectivity and mutual prosperity will be achieved through your engagement.

In closing, I would like to once again warmly welcome you all for being with us today, and hope everyone will have a productive and fruitful time.

Welcoming Remarks by Mr. Kim Jung-dong
Executive Vice Chairman of the Korea Chamber of Commerce and Industry



Celebrating 50 years of ASEAN in 2017, it is a great pleasure to host the ASEAN Connectivity Forum at the Korea Chamber of Commerce.

The Forum, in its fifth year, has continued to develop under the support and interest of all the ASEAN Member State governments. The Forum has also put in a lot of effort to foster practical exchange and cooperation between ASEAN and the ROK in the field of infrastructure.

With a population of 630 million, a GDP of 2.6 trillion USD and an annual average economic growth rate of 5%, ASEAN is garnering global attention with its huge growth potential.

With the launch of the ASEAN Economic Community in 2015, the integration of the 10 ASEAN countries, which currently show different levels of economic size and stages of development, has been further promoted. It is strongly anticipated that the ASEAN Community will become the new growth engine.

Korea's interest towards the ASEAN market is also growing. ASEAN today is Korea's second largest trading partner and investment destination. ASEAN's determination for achieving its economic growth and the huge potential it holds provides excellent opportunities for many Korean businesses.

With the recent visit to ASEAN, President Moon emphasized the strengthening of cooperation between the two sides, and has announced that ASEAN-ROK relations will be upgraded to match that of the ROK's relationship with the US, China, Russia and Japan.

Many Korean companies are actively seeking opportunities to enter the ASEAN market. However, ASEAN's infrastructure, with high logistics costs, unstable energy situations and a weak communication infrastructure, remains as an obstacle to be overcome.

ASEAN is working on improving its infrastructure environment through the adoption and implementation of its Connectivity Masterplan. However, due to the very nature of infrastructure projects, immediate results are not easy to see. Many projects are still ongoing amid financial, technical and institutional limitations and obstacles.

In this context, I believe that the ASEAN Connectivity Forum, which will take place for the next two days, will provide a special momentum for both ASEAN and the ROK to further strengthen the economic and strategic cooperation between the two sides. The ASEAN delegations and financial experts from both home and abroad will be providing useful information regarding infrastructure projects in ASEAN through 1:1 consultation sessions.

I sincerely hope that the Korean business leaders participating in the Forum and the consultation sessions will seize this opportunity to learn more about the projects and also build up a valuable network for future cooperation.

Furthermore, I hope the Forum will also serve as a channel where ASEAN can learn from Korea's experience of economic development, so that Korea's trials and errors can be shared among the projects to promote ASEAN connectivity and ultimately contribute to the ASEAN Community.

With strong competitiveness in transportation, energy and ICT, Korea can provide a high level of cooperation to ASEAN and thus significantly contribute to closing the development gap within the ASEAN region.

The year 2017 is an important year, celebrating ASEAN's 50th anniversary. Now, we must brace ourselves for the next 50 years by further strengthening the cooperation between ASEAN and the ROK.

I sincerely hope that more Korean companies can participate in further enhancing ASEAN connectivity and that ASEAN can realize its future vision through such cooperation.

Let me conclude my remarks by wishing that today's Forum be beneficial for both the ASEAN Member States and Korean companies alike.

**Congratulatory Remarks by H.E. Bambang Brodjonegoro
Minister of the National Development Planning of Indonesia**



I am honored to be here, and I would like to congratulate the ASEAN-Korea Centre and the Korea Chamber of Commerce and Industry for holding the fifth ASEAN Connectivity Forum.

This event shows the close relationship and strong commitment between the Republic of Korea and ASEAN to support the ASEAN Community through connectivity and integration effort. Once again, thanks to the ASEAN-Korea Centre (AKC), with the vision to be a key player in building a long-term and the solid partnership between ASEAN and Korea for organizing this forum. This event is a platform to connect with the Korean business community to become a key stakeholder in ASEAN's infrastructure development and to strengthen the mutual relationship between ASEAN and Korea that brings mutual benefit to each party.

Indonesia fully supports the Master Plan of ASEAN Connectivity 2025 vision, "to achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater sense of community." Enhancing connectivity linkages through the Master Plan of ASEAN Connectivity have been and will continue to be a priority for ASEAN and Indonesia. Indonesia has benefited from the ASEAN Community and the Republic of Korea through economic growth, political stability, trade and investment, tourism, infrastructure, and lastly social and cultural cohesion. We do believe not only Indonesia but also all of the ASEAN member countries shall be impacted by those benefits as well.

Ladies and Gentlemen,

Despite bright economic growth prospects, as we can see, most of ASEAN member countries continue to suffer underdeveloped infrastructure projects especially the vital connectivity-related projects in the sector of Transport, Energy, and ICT. We believe that situation is about to change because we need to remedy historical underinvestment and accommodate the explosion in demand.

ASEAN infrastructure projects are the second largest in the world after the Middle East. Based on a McKinsey & Company assessment, ASEAN needs USD 3.3 trillion for investment in transportation, water, energy and ICT areas between now and 2030. As we all know, ASEAN population is about 620 million people with the combined total GDP of USD 2.4 trillion, and this will create enormous opportunities in connectivity-related infrastructure projects.

Ladies and Gentlemen,

Traditionally most ASEAN infrastructure projects have been funded by government budget and local banks. The foreign investors were mostly excluded. Some of them were allowed to participate in infrastructure projects faced several barriers and restrictions such as complex regulations, legal challenges, and political interference.

Recently, we have seen the good signs that global private capital is increasingly welcome in developing countries' infrastructure projects. The growing foreign investors started to enter infrastructure project through public-private partnerships (PPP). Multilateral Development Banks such as the World Bank (WB), Asian Infrastructure Development Bank (AIIB), and Asian Development Bank (ADB) as well as developed countries government agencies have assisted and helped to enhance PPP framework in most of ASEAN countries to attract more private sector and foreign investors involved in infrastructure projects. As a result, we can see the number and value of bankable PPP projects in ASEAN have been significantly increased in the last five years, and I believe these numbers will increase.

Even though there are enormous opportunities in connectivity-related infrastructure projects in ASEAN countries, there are still several risks and challenges for foreign firms to consider before investing. The main questions from foreign investors are how to identify the opportunities and how to mitigate the risks. Each of the ASEAN member states has to provide a comprehensive solution quickly to tackle these challenges. I would like to thank this forum that shall be a catalyst for the investors to get a better understanding of infrastructure projects in ASEAN. Also, this event can be very beneficial for project owners and government agencies to get best practices in preparing, developing, procuring and implementing the projects effectively and efficiently.

Ladies and Gentlemen,

ASEAN Connectivity will become a reality with strong support and collaboration amongst governments, private sectors, the peoples, and foreign investors need to work together. As a result, we hope that a well-connected ASEAN Community could bring the people, goods, services, and capital closer to enhancing physical connectivity, institutional connectivity, and people-to-people connectivity.

I hope this forum will generate new ideas, perspectives, and implementable strategies on how we can move forward together with the Republic of Korea in preparing, developing and achieving the vision of ASEAN Connectivity 2025.

**Congratulatory Remarks by H.E. Son Byeong-suk
Vice Minister for Land and Infrastructure of the Ministry of Land,
Infrastructure and Transport of Korea**



This year marks the 50th anniversary of ASEAN. ASEAN has achieved sustained growth through trade and investment liberalization and has contributed to regional peace and stability with its strong security cooperation.

In particular, the ASEAN Economic Community (AEC) was launched in 2015, taking a big step towards ASEAN integration, overcoming differences in language, culture and development stages. With the launch of the AEC, we now have a huge economic community with a population of 630 million, a GDP of 2.5 trillion USD and a young and dynamic market that is growing at 5% on average every year.

In November 2017, President Moon announced the ASEAN Partnership Action Road Map for joint prosperity and the development of ASEAN and the ROK, on the occasion of the ASEAN-ROK Summit. Along with the leaders of ASEAN, we pledged to work together to build a community that pursues people-centered growth, contributes to the peace and stability of the international community and promotes joint prosperity. In the field of infrastructure, we jointly proposed four key areas of cooperation, namely transportation, energy, water resources and smart IT, which can assist in further promoting joint cooperation for prosperity.

The Ministry of Land, Infrastructure and Transport of the Republic of Korea will identify projects that can be implemented jointly by ASEAN and the ROK to further promote ASEAN

connectivity in the above stated four key areas of cooperation.

First, a 100 million USD Global Infrastructure Fund that invests in ASEAN countries will be set up by the year 2022. Working together with the ASEAN-KOREA Centre, we will set up a help desk to support various infrastructure projects. We ask for the continued support and interest of the members of the ASEAN delegation so that Korea's efforts in promoting ASEAN connectivity can bear fruit. Korea has experienced much trial and error during our economic growth and has successfully overcome these difficulties throughout the way. Our experience and knowhow can be of great support for the ASEAN countries that are trying to achieve further growth.

Through today's ASEAN Connectivity Forum, a strategic cooperation model that covers technology exchange, finance and cooperation projects can be proposed between the governments of ASEAN, the ROK and the private sector. When the unlimited growth potential of ASEAN countries and their peoples' passion and dedication for the growth of ASEAN join with Korea's experience, technology and finance, this combination can contribute significantly to ASEAN's economic development and growth.

Distinguished guests, Ladies and Gentlemen,

Just three months from now, the Republic of Korea will be hosting the 2018 Olympic Winter Games and the Paralympic Winter Games in PyeongChang. The people of Korea are putting forth our best efforts to prepare for the Olympics with a message of world peace and reconciliation. The games will also showcase state-of-the-art information and communication technologies, including robotics for the torch relay, autonomous buses, 5G mobile communication technologies and UHD broadcasting technologies. I encourage the people of all ASEAN Member States to come and visit PyeongChang to enjoy and experience Korea's beautiful winter, our diverse culture and advanced technologies, while finding new business opportunities as well.

Once again, I would like to thank the ASEAN-Korea Centre, the ASEAN Connectivity Committee and the delegation from ASEAN Member States for your support in the successful hosting of this Forum.

**Congratulatory Remarks by H.E. Ambassador Yoon Soon-gu
Deputy Minister for Political Affairs of the Ministry of Foreign Affairs of Korea**



I would like to begin by extending my heartfelt congratulations to the ASEAN-Korea Center on the successful hosting of the 5th ASEAN Connectivity Forum. During the past half decade, this forum has indeed proven itself as the very symbol of Korea's various efforts to enhance connectivity in the region. It has contributed to socializing connectivity in the Korean business community and connecting various stakeholders in the region with the aim of enhancing connectivity.

ASEAN has undoubtedly been a special and valued friend to Korea. ASEAN is Korea's second largest trading partner and investment destination. Korea is also the fifth largest trading partner of ASEAN. But our relations amount to far more than just statistics. Sharing similar experiences, we have stood by each other throughout history and have become true friends. We have all overcome the pains of colonial domination and are following the same path of democratization and economic growth.

President Moon Jae-in, on his first trip to ASEAN following his inauguration, announced the "Initiative for Korea-ASEAN Community: Connected Future," which reflects his determination to heighten ASEAN-Korea relation to a new level – the best we have ever had. The essence of the new initiative is a community of 3Ps: a "People-Centered Community" that connects person-to-person and heart to heart; a "Peace-loving Community" that contributes to the peace of Asia through security cooperation; and a "Community of Mutual Prosperity", which enables citizens to have a better life through mutually beneficial economic cooperation.

This is not only Korea's policy goal but a goal that ASEAN and Korea pursue together based on our shared vision of a people-centered community.

Korea's ties with ASEAN extend far beyond simply intergovernmental relations: our relationship is closely linked and intertwined, with B2B (Business to Business) and P2P (People to People) exchanges. In this regard, I firmly believe that this forum has indeed provided us with a crucial platform for wider communication among various stakeholders, fostering a deeper understanding for connectivity. I hope the ideas shared in today's discussion will contribute to further maturing of the new Initiative for ASEAN-Korea Community.

On our part, the Korean Government will join ASEAN's endeavors in implementing the Master Plan on ASEAN Connectivity 2025 (MPAC 2025). In particular, we plan to make full use of our experiences and policy resources to pursue cooperation in the field of technical vocational education and training (TVET). My government will also increase the "Global Infrastructure Fund" by an additional 100 million USD to increase investment in ASEAN by 2022. I believe that the successful realization of ASEAN Community will be a starting point of a virtuous cycle of ASEAN-Korea cooperation. I envision achieving our bilateral trade volume of 200 billion USD by 2020. Both ASEAN and Korea will enjoy the shared benefits of expanded cooperation.

Last but not the least, North Korea's nuclear and missile program continues to pose grave threats to our region. I firmly believe that peace on the Korean Peninsula will enable us to enhance connectivity even further as the Korean Peninsula will become a bridge that connects land, sea and people in the Asia Pacific region. The Korean Government will make every effort to achieve fundamental resolution of the North Korea nuclear issues. I look forward to the continued interest and contribution of ASEAN countries in this process.

Excellencies, Distinguished Guests,

Less than three months from now, Korea is to host the Pyeongchang Winter Olympic and Paralympic games under the theme of "Passion, Connected." Korea will exert every efforts to connect people, connect peace and connect future through sports. I very much hope to meet you all again in Pyeongchang this winter. Please come and enjoy the beautiful scenery of winter in Korea, experience cutting-edge technologies that will connect us closer and discover new business opportunities.

Welcoming Dinner Remarks by Mr. Heo Chang-soo
Chairman of the Federation of Korean Industries



This year we celebrate the 50th anniversary of the birth of ASEAN. During the past five decades, ASEAN developed into the world's manufacturing hub and growth engine. Let me take this opportunity to once again congratulate ASEAN for its 50 years of success.

Distinguished guests, Ladies and Gentlemen!

ASEAN and the ROK have continued active social and cultural exchange over the years. The ASEAN region has become a popular tourist destination for Koreans. Many of ASEAN's representative dishes, such as nasi goreng, bun cha and pad thai, have now become daily menu items in Korea. Likewise, I have heard that Korean food and the Korean language have become very popular in the ASEAN region, thanks to the popularity of the Korean Wave.

In the economic field, the cooperation between ASEAN and the ROK continues to grow even stronger. In particular, this year we are celebrating the 10th anniversary of the ASEAN-Korea FTA. Before the FTA, ASEAN was Korea's fifth largest trading partner. However, over the past 10 years, ASEAN has become the second largest trading partner for Korea. Every year, Korean companies are investing an average of 6 billion USD in ASEAN. Such active investments by Korean companies are based on the strong growth potential of the ASEAN Member States' high labor productivity, solid domestic market and abundant natural resources. ASEAN has also benefited from the investments of Korean companies, as the

industrial structure becomes more sophisticated and the export items become more diversified.

Distinguished guests, Ladies and Gentlemen!

Judging from Korea and ASEAN's mutually complimentary industrial structure, the economic cooperation between the two sides can grow even further. The ASEAN region aims to strengthen regional connectivity and is thus aggressively working on improving the transportation and energy infrastructure in the region.

I am confident that Korea can become a great partner for ASEAN during this process.

Korea's construction companies have gained global recognition with their state-of-the-art technology and knowhow, gained from their rich experience in world markets. Malaysia's Petronas Twin Towers and Singapore's Tanjong Pagar Centre are some of the most well-known projects that Korean companies have participated in.

I hope more Korean companies will be able to take part in various projects to enhance ASEAN connectivity, and to contribute to regional integration.

Thank you all once again for joining us despite your busy schedules.

Luncheon Remarks by H.E. Ambassador Sul Kyung-hoon
Vice President of the Korea International Cooperation Agency



It is my great pleasure to welcome all of you here on this special occasion of the 5th ASEAN Connectivity Forum. I would like to express my appreciation to Ambassador Kim and his staff for their continued efforts in making the ASEAN-Korea Centre a symbol of cooperation between Korea and ASEAN, and I sincerely congratulate the Centre for successfully convening the 5th ASEAN Connectivity Forum today.

Delivering brief remarks at the opening of the ASEAN- Korea summit in the Philippines on November 13 of this year, President Moon stated that ‘As ASEAN and Korea are both entering an era of taking new leaps in development, I(he) believe it is the most appropriate time to increase the level of bilateral cooperation.’ In line with the President’s remarks, the Korean government has called for heightening the connectivity between ASEAN economics and citizens by supporting such initiatives as the ‘MPAC (Master Plan on ASEAN Connectivity) 2025’ and ‘IAI(Initiative for ASEAN Integration) Work Plan.’

As a part of the government’s efforts, KOICA has contributed to the formulation of Korea’s vision for supporting ASEAN Connectivity while playing a pivotal role in its implementation. From 1991 to 2017, KOICA has provided about 1.1 billion USD to the ASEAN Partner Countries including Cambodia, Indonesia, Lao PDR, Myanmar, the Philippines and Vietnam. In these six ASEAN member states, we have successfully implemented projects in five core sectors in a balanced manner that include: the education sector, accounting for 27%, rural development for 20%, technology industry and energy for 20%, health for 16%, and

governance for 14%.

KOICA will further develop a strategic approach as a vital process to realize ASEAN Connectivity. In line with MPAC 2025, we will focus on three dimensions: physical, institutional and people-to-people connectivity.

First and foremost, we will contribute to strengthening physical connectivity. KOICA has conducted feasibility studies and master planning projects to build national and trans-national infrastructure including roads, highways, airports, logistics, ICT and energy generation, among others. One of the ASEAN Connectivity Project is the Feasibility Study on a railway, 550km in length, linking Vientiane in the Lao PDR to Vung Ang port in Vietnam. This railway is also part of the A3 rail project linking Vientiane and Muya via Thakhaek, and is an important link within the 10 ASEAN countries. We look forward to further developing cooperative measures with the EDCF, Multilateral Development Bank, the private sector and other stakeholders to scale up the key infrastructure projects in ASEAN regions.

Second, KOICA has been and will be instrumental in formulating institutional connectivity. With emphasis placed on institutional capacity building for ASEAN regional integration, we have supported the standardization of governmental policies and systems at an international level. For instance, KOICA is now implementing several institutional-building projects including the National Payment System in Cambodia, Land Value Estimation System in Vietnam and Law Information Service System in Myanmar just to name a few. Our attention is paid to strengthening the institutional framework in service liberalization, administrative efficiency, investment and trade. Those are the most vital and most essential elements of regional cooperation and integration in ASEAN regions.

In addition to support for physical and institutional connectivity, KOICA's priority is also placed on people to people connectivity. In response to the high demands for sharing development experiences, we dispatch Korean experts and volunteers to the partner countries and also host invitational training programs. This year, KOICA is set to carry out 29 country-specific training programs and 52 multi-country training programs for ASEAN countries. WE will further contribute to capacity building for the ASEAN community, by developing human resources and establishing networks between ASEAN and Korea.

The direction of ASEAN Connectivity provides strategic focus to ongoing and future KOICA activities in the region. KOICA will continue to employ all its resources to share Korea's knowledge, skills and experiences with ASEAN member countries.

I thank you once again for all your support in strengthening ASEAN-Korea cooperation, and I hope that with the 5TH ASEAN Connectivity Forum, we will continue to elevate ASEAN-Korea relations to new heights. Thank you.

KEYNOTE SPEECH

**Keynote Speech by H.E. Ambassador Elizabeth P. Buensuceso
Chairwoman of the ASEAN Connectivity Coordinating Committee and
Permanent Representative of the Philippines to ASEAN**



Thank you for inviting me to share with you some thoughts on the Master Plan on ASEAN Connectivity MPAC 2025. I especially thank Amb. Kim Young-sun for his kind invitation for me to participate in this forum. I would like to quote to you what the Leaders of ASEAN and President Moon Jae-in have to say about the ASEAN-Korea Centre during the 19th ASEAN-ROK Summit held in Manila on 13 November. The Leaders lauded the ASEAN-Korea Centre for playing a pivotal role to increase the volume of trade, accelerate investment flow, invigorate tourism, promote connectivity, foster people-to-people exchanges and enrich cultural exchanges between ASEAN and ROK.

This timely forum comes at an opportune time right after the ASEAN Summit and its Related Summits, including the ASEAN-Korea Summit, held in Manila on 10-14 November. These high-level meetings confirmed the significant role of ASEAN as a major political-security player in the evolving regional security architecture and confirmed its status as an economic dynamo, ready to engage the world. Indeed, the Philippine chairmanship logo is: Partnering for change; engaging the world, which signifies our desire to trickle down the benefits of regional integration to the people of ASEAN and its partners.

The relentless drive for economic improvement of the peoples of ASEAN helped transform the association into an economic player that now commands the attention of the international community with a population of around 629 million, the third largest market base in the world, and a GDP US\$ 2.43 trillion, 6th largest in the world; 3rd largest in

Asia, and a GDP per capita of US\$3,867. Trade is calculated at US\$2.27 trillion and FDI at US\$120 billion.

ASEAN and Korea enjoy today robust relations in all areas of cooperation. ASEAN and the Republic of Korea (ROK) initiated sectoral dialogue relations in November 1989. The ROK was accorded a full Dialogue Partner status by ASEAN at the 24th ASEAN Ministerial Meeting (AMM) in July 1991 in Kuala Lumpur. Since the ASEAN-ROK partnership was elevated to a summit level in 1997 in Kuala Lumpur, relations between ASEAN and the ROK have broadened and deepened. The ROK is a strategic partner of ASEAN, meaning we have substantial relations in all three pillars of the ASEAN Community- APSC, AEC and ASCC. While pursuing active cooperation in countering violent extremism and terrorism, nuclear non-proliferation, maritime security cybersecurity and transnational crime, both partners have also affirmed their determination to preserve peace and stability in the Korean Peninsula. ASEAN has reiterated its readiness to play a constructive role in contributing to peace and stability in the Korean Peninsula and has repeatedly condemned provocative missile tests and launches by the DPRK.

ASEAN-ROK economic relations are vigorous. Two-way trade is : US\$124.3 billion (ROK as the 5th largest trading partner of ASEAN), with a target to increase it to US\$200billion by 2020. ROK's FDI to ASEAN: USD 5.7 billion (in 2015) (5th largest investment partner of ASEAN). ASEAN is the ROK's second largest trading partner and second largest investment destination.

Korean tourists to ASEAN: 5.02 million (2014); ASEAN tourists to ROK: 1.79 million (2014). ASEAN-ROK Connectivity: Construction of two missing links on the Singapore-Kunming Rail Link, regional inland waterways, and ASEAN-ROK air services agreement, among others. People-to-people connectivity are at their golden years, propelled by the K-Pop culture so popular among our young people today.

Let me now go to my main topic on the Master Plan on ASEAN Connectivity 2025. The Master Plan on ASEAN Connectivity (MPAC) 2025 was adopted by ASEAN Leaders at the 28th ASEAN Summit in Vientiane, Lao PDR on 6 September 2016.

MPAC 2025 is an integral part of ASEAN Community Vision 2025 and continues to emphasize the importance of physical (e.g., transport, ICT, and energy), institutional (e.g., trade, investment, and services liberalization), and people-to-people connectivity (e.g., education, culture, and tourism).

The vision of ASEAN Leaders is: "To achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater

sense of Community.” MPAC 2025 has five strategic areas and 15 Key Initiatives. The five strategic areas are: Sustainable Infrastructure, Digital Innovation, Seamless Logistics, Regulatory Excellence and People Mobility.

Under Sustainable Infrastructure, we have three key initiatives: Establishment of infrastructure pipeline, Develop a Framework and strategies on infrastructure productivity and Development of sustainable urbanization strategies. By 2025, we would like to achieve the following: Increase public and private infrastructure investment across the ASEAN Member States, Enhance infrastructure productivity in ASEAN through better delivery and Increase the deployment of smart urbanization models across ASEAN. In digital innovation, we would like to Enhance MSMEs adoption of digital technologies, Expand coverage of digital financial services, Establish an open data network and Develop digital data governance framework. By 2025, we want to see an increase in the adoption of technology by MSMEs, Support access to financial services through digital technologies, Enhance the impact of open data across ASEAN, and Improve data-management practices and more cross border data across ASEAN Member States. In Seamless logistics, we want to see the Development of a logistics database and Enhance supply chain efficiencies by addressing chokepoints in ASEAN. By 2025, we should see the Lowering supply-chain costs in each ASEAN Member States and Improved competitiveness of ASEAN Member States. Under the key area of Regulatory Excellence, the key initiatives are to Harmonize or mutually recognize product, conformance, and technical standards in key sectors and to enhance transparency and streamline non-tariff measure. The intended outcome is something dear to your hearts which is to Lower the cost of doing business in ASEAN and, therefore, Attract more investments into ASEAN. Finally, the last key area is also something where Korea has expressly announced its preference to collaborate with ASEAN- People-to-People Connectivity or People Mobility with the following key initiatives: Enhance tourism digital platform, Development of e-visa, Establish new vocational training programmes and common qualifications, in accordance with national circumstances of ASEAN Member States and Support higher education across ASEAN Member States. With these initiatives, we would like to Support ease of travel throughout ASEAN, Increase intra-ASEAN mobility of university students and reduce the gaps between vocational skills demand and supply across ASEAN.

Excellencies, ladies and gentlemen,

Benefitting from the lessons learned in the implementation of the first Master Plan, we in the ASEAN Connectivity Coordinating Committee (ACCC) see to it that institutional arrangements are in place, stakeholder ownership of the projects is established and that no duplication and waste of resources take place, by consulting on a personal face to

face encounters, the sectors who will be implementing the MPAC 2025. The ACCC is the ASEAN body charged to monitor, review and evaluate the implementation of the MPAC. If need be, the ACCC makes recommendations to the ASEAN Coordinating Council, which is composed of Ministers, to which it reports, on ways to improve the implementation of the Plan. It is significant to note the fact that the ACCC is composed of the same members of the CPR, Ambassadors of respective member states to ASEAN, who have direct interface with ASEAN's external partners and which is charged together with the ASEAN Secretariat, to coordinate the three pillars of the ASEAN Community. Thus, we have conducted several coordination meetings with the Lead Implementing Bodies and relevant sectoral bodies for each strategic area, National Coordinators, National focal points, and regional arrangements such as the BIMP-EAGA, to ensure the smooth implementation of the MPAC. For example, there is no ASEAN body responsible for sustainable infrastructure. The ACCC has recommended and the ACC has approved, the focal persons for the LIB on Sustainable Infrastructure. I think Pak Bambang's Office is the representative from Indonesia. 12 July 2017, the ACCC gathered in Manila all the relevant stakeholders, around 150 experts from all sectors, including SEOM, TELSOM, SOMTR, SOMED, NTOs and other implementers of the Master Plan, to get them to own the projects, put in their valuable inputs to avoid duplication and to map where the needs and capabilities are. The result of the MPAC Forum was amazing- we have harvested the first set of project ideas that will be the first fruits of the MPAC 2025 for immediate implementation in the next few years.

The ACCC also holds regular meetings with ASEAN's Dialogue and external partners on the implementation of the Master Plan, for indeed, the very word Connectivity connotes that ASEAN cannot do this alone. The 3rd Meeting between the ASEAN Connectivity Coordinating Committee (ACCC) and Republic of Korea's Task Force on ASEAN Connectivity was held on 25 July 2017 in Jakarta, Indonesia, back-to-back with the 2/2017 ACCC Meeting, . The Meeting discussed the great potential and opportunities for ASEAN-ROK Connectivity and project ideas harvested from the MPAC 2025 Forum, to find out where ROK could take an important part in supporting the implementation of specific project ideas.

Let me discuss a little bit the focus of interest of Korea as mentioned during the ASEAN Korea Summit in Manila – this is a project under Initiative 14 which is a Study of Vocational Skills Gaps and TVET Standards and Programmes in ASEAN Region. This project aims to conduct a study to assess the vocational skills gap across ASEAN Member States; take stock and examine the vocational standards and Technical and Vocational Education and Training (TVET) programmes that have been or are currently being developed by ASEAN Member States and identify priority sectors for further development in training and qualification framework. collate existing studies/surveys undertaken by the relevant

government agencies in ASEAN Member States as well as by the international organizations to benchmark and gain insights on the vocational skills gap, determine types of information to be collected to complement the information gathered from the existing studies. assess previous works and initiatives on the ASEAN Qualification Reference Framework (AQRF) and the ASEAN Mutual Recognition Arrangements (MRAs), examine good practices and lesson learnt from vocational standards and TVET programmes outside the region, examine the vocational standards, training system, skills testing and certification which have been or are being developed in ASEAN Member States, produce a compilation of good practices and lesson learnt from TVET programmes and qualification framework in ASEAN. Finally, it seeks to identify 3 priority sectors for TVET development based on the study.

But I would also invite Korea to get interested in the other initiatives. For example under Sustainable Infrastructure , we aim to Establish a Rolling Priority Infrastructure Pipeline ; or under Initiative Four on the Participation of MSMEs in the Digital Economy where we seek to Aims to help MSMEs promote digital adoption by MSMEs, particularly action lines supporting the development of enhanced understanding of relevant productivity measures; the promotion of technology and building of capabilities to foster industry clustering; and the increase of information on regional and global market access and opportunities.

To avoid duplicative efforts, the initiative would seek to tap on existing efforts of its external partners as far as possible in order to optimize collective resources.

Take a look as well at Initiative 8 which aims to establish a database on logistics and routes. The project aims to undertake a stock-take and scoping study to identify and prioritize key trade routes, including land based, maritime or air routes, as well as key commodities along the prioritized routes, and develop an ASEAN database on trade routes.

In short, Excellencies, ladies and gentlemen, ASEAN is ready to roll out specific projects, resulting from long and focused consultations with stakeholders about what is possible and what is not. My invitation for you to participate in MPAC 2025 is borne out ASEAN and Korea's desire to respond to the crying clamor of our people to fill the development gaps and bring them mutual economic prosperity through regional integration. We invite you to become fellow masters of the Master Plan on ASEAN Connectivity 2025.

Presenters

Mr. Takeo Koike

Director of Office of Public-Private Partnership of the Asian Development Bank

Mr. Clive Harris

Practice Manager of Public-Private Partnerships Group of the World Bank

Mr. Um Sung-yong

Director of Global Business Development Group of the Export-Import Bank of Korea

Mr. Brad Kim

Managing Director of Infrastructure, Utilities and Renewables Asia for Macquarie Capital

Moderator

Mr. Kwon Jae-hyung

Head of North Asia and Representative to Korea Office of the Multilateral Investment Guarantee Agency

SESSION I.

FINANCING AND PROCUREMENT FOR PUBLIC-PRIVATE PARTNERSHIP (PPP) PROJECTS IN ASEAN

Asian Development Bank

The ADB provides comprehensive support and financial assistance to develop Public-Private Partnerships (PPPs). To be specific, the ADB utilizes four unique pillars under the PPP operational framework and modalities in order to address the challenges which impede the PPP operations in Asia and the Pacific: (i) advocacy and capacity development, (ii) enabling environment, (iii) project development and (iv) project financing. During the process, the Bank closely works with governments to improve capacity, legal framework and institutional setup to facilitate the development of PPPs.

The ADB assists PPP development by being a financial intermediary in two types of PPP projects, which are publicly-financed infrastructure projects and private sector O&M services. For example, the ADB played a significant role in establishing the PPP framework of PPP centers built in the Philippines, Bangladesh, and India. As for transaction advisory-services, the ADB is currently mandated in assisting 6 transactions in ASEAN (Cambodia, Malaysia, Myanmar, Philippines, and Vietnam) to develop bankable investment infrastructure projects. One notable thing here is that the scope of projects is expanded to non-traditional projects, particularly those related to urbanization.



Lastly, the ADB cooperates with various partners to facilitate PPP projects. First, the ADB acts as a single point of interface with its clients, and manages various experts under one umbrella. The ADB currently has 8 commercial banks as partners including the Export-Import Bank of Korea, to mobilize and pool more resources. Second, the ADB manages the

Asia Pacific Project Preparation Facility (AP3F) trust fund. Funded by three donors (Japan, Canada and Australia), the AP3F aims to assist developing countries and their public-sector agencies in preparing and structuring infrastructure projects with private sector participation. One unique feature of this multidonor trust fund is that it does not only help new projects, but also assist the existing ones.

World Bank

PPP projects play an important role to enhance connectivity, and there is a need for more project delivery and finance in the Asian region. As for ASEAN, despite the excellent progress in infrastructure development, there remain a large room for infrastructure demands.

As a global trend, PPI (Private Participation in Infrastructure) investment is declining. Since its peak in 2012, PPI has now declined to its lowest levels in 2016 at \$71.5 billion across 242 projects. However as for ASEAN, this is not the case. PPI investment has showed steady growth since 2013, and recorded the highest PPI investment in 2016 in four years at \$15 billion mainly due to high investment volume in the Philippines and Indonesia. To analyze the PPI investment in ASEAN by sector, energy contains up to 90% of the investment followed by transport (11%) and water (2%). On the other hand, Indonesia, Philippines, and Thailand together account for three-quarters of PPI investment flow in ASEAN. Particularly, Indonesia received the highest amount of PPI investments of \$7.8 billion across six projects in the first half of this year, and the Philippines secured \$5.4 billion of investment flows mainly due to the government's push for PPP projects. As for Thailand, the accumulated PPI investment from 2011 to first half of 2017 is \$9.67 billion which all went to the energy sector. On the contrary, PPI investment volumes in Cambodia, Lao PDR, and Myanmar are smaller than other ASEAN economies.

The World Bank identifies notable trends in infrastructure development in ASEAN. First, the capital is moving from public to private, and from local capital to international capital.

Second, the market is more sensitive to foreign exchange. Third, cities are critical drivers of infrastructure. Lastly, ASEAN requires more expertise in infrastructure development and there is a need for appropriate counterparty risk management.



Export-Import Bank of Korea

The Export-Import Bank of Korea (KEXIM) is Korea's official Export Credit Agency (ECA) which provides both export credit and investment finance to Korean companies conducting business in the global market. The agency supports financing projects in overseas through its wide global network, up-to-date financial products, and in-house expertise and capacity.

As the nation's official ECA, KEXIM provides various solutions in financing projects. First, it ensures that the projects are more bankable and commercially viable through its advisory services. Second, it utilizes all sources of financing such as ECF (Export Credit Finance) for large infrastructure projects, EDCF (Economic Development Cooperation Fund), and DF (Development Finance) to operate ODA loan programs. In sum, KEXIM not only supports the private sector in Korea, but also assists the public sector of partner countries by combining ODA loans and commercial support to mobilize more funds for development projects.

Also, KEXIM provides direct loans and mobilizes syndication. The Turkish tunnel project and Vietnamese power plant project are two examples. As for the first project, the KEXIM financed a substantial amount of investment together with K-Sure, EIB & EBRD, while the Turkish government provided a minimum revenue guarantee for the project. For the Vietnamese power plant project, mixed financing which combines EDCF and ECA loans was provided to the Vietnamese government.



Macquarie Korea

Macquarie is a global financial center with 67 offices and 200 infrastructure executives globally, and 40 infrastructure executives in Asia. In addition, the company is well-known for supporting development projects by focusing on procurement processes and the infrastructure utility sector to facilitate and mobilize capital. For example, Macquarie Korea has recently carried out the role of an exclusive advisor for Manila's LRT1 Rehabilitation and Expansion project.

PPP models are important in developing infrastructure projects, and there are several reasons why the government is using this model. First, it encourages efficient allocation of risk between the public and the private. Second, it is a flexible model that can be adjusted depending on the asset. Lastly, the asset reverts to public ownership at end of concession. On the other hand, the private sector should also support this model since PPPs are becoming even more appealing to governments due to the current budgetary state and balance sheet pressures. In addition, considering the clear pipeline of future projects in ASEAN, the private sector has many more opportunities for business.

Lastly, MDBs play an increasingly critical role in the PPP eco-system. It helps to facilitate, prepare and structure complex PPP projects to mobilize the private sector and institutional capital, expanding the pipeline of bankable infrastructure projects in ASEAN. However, complex PPP projects require co-operation among specialists in various sectors. For example, financial advisers such as Macquarie may arrange debt and equity finance throughout the project, while MDBs arrange loans, guarantees, equity, and risk management instruments.

Moderators

Dr. Ye Choong-yeol

Chief Director of the Korea Transport Institute

Mr. Kwon Jae-hyung

Head of North Asia and Representative to Korea office of the Multilateral Investment
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Professor of Korea University

SESSION II.

SECTOR-SPECIFIC CONNECTIVITY- RELATED INFRASTRUCTURE PROJECTS IN ASEAN

1. Transport

1.1 Indonesia

The Indonesian government plans to enhance national connectivity and develop Indonesia's economic corridors through an integrated transport network. The government's main strategic target for connectivity enhancement is to make a smooth connection among its industrial estates, new town development, and airport & sea development in 17 islands.

Indonesia has 14 potential projects for government and business partnership in the sectors of railway, air, and seaport projects. The total volume of the projects is \$8.6 billion. First, there are 3 railway projects; Bandung LRT (\$37million), Makassar-Pare-Pare Railway (\$376 million), and Surabaya-Tram (\$870 million). Second, there are 2 airport projects; Kuala Namu International Airport (\$1.53 billion), and Lombok International Airport (\$ 126 Million). Lastly, there 9 seaport projects; Kuala Tanjung International Hub Port (\$2.8 billion), New Priok Port Development (\$730 million), New Deep Port Development in Kijing Phase 1 (\$382 million), Makassar New Port (\$575 million Phase 1), and New Deep Port Development in Tanjung Carat (\$462.8 million).

The government of Indonesia has taken a series of major steps to refine the PPP policies and regulatory framework to improve the attractiveness and competitiveness of PPP programs. To attract and manage foreign direct investment, Indonesia has developed an 'One-Stop Service' operated by the Investment Coordinating Board (BKPM). This aims to facilitate the investors throughout the overall phases of investment from planning, preparation, and to transaction stage in order to provide comprehensive information on the investment opportunities.



1.2 Lao PDR

The goal of Lao PDR's connectivity policy is to transform the country from a land-locked to a land-linked country in the Greater Mekong Sub-region. It aims to improve roads, rail, air transport, and inland waterways, and has set two main strategies to enhance transport connectivity; First, providing sufficient and reliable transport infrastructure and facilities, particularly on transit transport routes, and second, facilitating cross border transport of goods and people with its neighboring countries.

Currently, Lao PDR has 11 road links to Vietnam, 4 roads for China, 1 for Myanmar, 8 for Thailand, and 1 for Cambodia. Also, there are 8 ASEAN highways running through Lao PDR which need investment for improvement in order to enhance regional connectivity.



There are also various investment opportunities in the transport sector. To highlight Lao PDR's ongoing and priority investment projects, it is identified that 10 road projects require financing. As for bridges, the country is in discussion on an additional establishment of a bridge with Thailand since most bridges in Lao PDR are connected to Thailand. Currently, 4 expressways projects, 4 airports projects, 4 river ports projects and 9 logistics parts projects are under development.

The main donors who support the Ministry of Public Works and Transport are MDBs, ODA agencies, and governments of China, Vietnam and Thailand.

1.3 Philippines

The Philippine government prioritizes infrastructure development, and has allocated \$16.9 billion on infrastructure projects this year. This budget is mainly allocated to develop road, rail, air, and maritime transport projects.

The Department of Trade and Industry aims to facilitate efficient coordination to identify, prioritize, and implement road access infrastructure and road linkages. Currently, there is a \$1 billion transport project going on to connect the four islands in Visayas region, which is expected to be completed within this government's term. Aside from connecting the islands, there are cross border projects such as BIMPT-EAGA (The East Asia Growth Area), which aims to connect Brunei-Indonesia-Malaysia-Philippines.

The Philippines has policies allowing foreign contractors to carry out infrastructure projects with 100% foreign ownership. For locally funded projects, foreign contractors may apply for special license with a maximum of 25% for capital infusion through a joint venture or consortium with Philippines companies. Currently, the Philippines has seven special licenses issued to representative Korean companies including Hanjin Heavy Industries & construction. They are currently undertaking several big-ticket infrastructure projects such as rehabilitation of Angat Dam at AHC (Angat Hydropower Corporation), water supply project, metro rail transit system and intermodal transport terminal of MRT-7 project. As for the foreign funded projects, companies also need a foreign license and engage in projects through competitive bidding or PPP.

The Philippines has 37 PPP projects with a total investment of \$9 billion as of October this year. Among 37 projects, 15 projects are under development, 2 are under evaluation, 4 are



under review, and 1 is under procurement. One of the notable projects under procurement is the Clark international airport expansion project which aims to accommodate the number of passengers to 8 million per annum. Another project would be the East-West rail project which has eleven stations within metro-Manila. Lastly, San Ramon Newport project is under the feasibility studying stage. As shown, PPP projects are the government's priority. The Philippines will continue to develop its pipeline, encourage the local governments to be more attractive, and implement and monitor PPP projects.

1.4 Singapore

Being the smallest country in ASEAN, Singapore is facing major challenges in its ageing population and limited land area for development. Thus, the government plans to expand underground transport projects, and welcome Korean contractors to bring productive ideas to solve its challenges.

Singapore's Ministry of Transport consists of 4 bodies; (Land Transport Authority (LTA), Civil Aviation Authority of Singapore (CAAS), Maritime and Port Authority of Singapore (MPA) and Public Transport Council (PTC)). The Ministry of Transport currently has many projects where it welcomes active participation of Korean contractors in Singapore's construction projects. Hyundai, Daewoo, GS, Daelim, and Sumsung are some of the major Korean companies that are involved in the projects.

There are also many upcoming projects as well; expansion of the rail network by 2020, Jurong region line by 2025, and cross island line by 2030. In addition, Singapore KL-Singapore high speed railway is expected to be completed in 2026 with 7 stations in Malaysia, and 1 station based in Singapore. As for the Mass Rapid Transit (MRT) & Light Rail Transit (LRT) network, the Thompson East Coast Line is under construction, and it is expected to be completed by 2024. In the meantime, 4 stations will first be opened in 2019.

1.5 Thailand

Thailand is currently carrying out 44 PPP projects by 16 government agencies in the transport, logistics, utility, telecommunication and property development sectors. The sub-sectors under transport includes expressways in metropolitan areas, mass transit trains, ports, and cargos.

The government recently adopted a new law in 2013 called 'Private Investment in State Undertaking Act (PISU Act)'. This new law substitutes the previous 'Private Participation in State Undertaking Act 1992' (PPSU Act), and sets out a much stronger framework for comprehensive planning and quality of public-private ventures to increase effectiveness and transparency of the PPP process. In addition, Thailand organized a PPP committee which sets procedures and resolves any disputes according to the PISA Act. State Enterprise Policy Office (SEPO), one of the members and the secretariat of the committee, is in charge of multi-agency coordination.

Lastly, Thailand expects to have up to 66 PPP investment projects which over half of the projects are in the transport sector followed by education and public health, telecommunications, and water treatment. The main objectives of key PPP transport projects under New Economics Policy (Eastern Economic Corridor) are: first, to upgrade Thailand's Eastern Seaboard (ESB) to be a leading special economic zone in Asia; second, to develop efficient infrastructure connectivity; third, to promote urban development and urban environment; fourth, to facilitate and provide incentives to investors; fifth, to support high-tech industries and tourism; and lastly, to accelerate the future growth of Thailand's flagship Special Economic Zone (SEZ).

1.6 Vietnam

PPP brings new opportunities and challenges to the Vietnam government and investors. The highway project in Vietnam connects provinces such as Ho Chi Minh City and the Dong Nai Province where fast economic growth greatly contributes to the national economy. This project is a future gateway of development in the service and tourism industry. Relevant projects located in the area are also currently under construction. For example, the Nhon Trach project's total length is approximately 17.71 km which is divided into two subprojects; component 1A and 1B. Component 1A, with a length of 8.75km, is financed by the Korean EDCF. Component 1B, with a length of 8.96km, is still in need for investors. The total investment needed is \$179.6 million, and the financial plan starts in 2018. The net profit value is around \$7.4 million and the concession period is 25 years. Component 1B starts at the Ho Chi Minh intersection. In the first stage, seven bridges will be constructed, with a total length of 4.48km. The remainder of the bridges will be constructed in the second stage. The Intelligent Transport System (ITS) will be installed after the road is upgraded, and the open toll system will be maintained.

Investors must go through certain procedures to win the bidding. There are three forms of investors, which are Korean investors as single entity, joint venture of Korean investors,



and joint venture of Korean investors and Vietnamese investors. The first type is either individuals who are of Korean nationality or businesses established under the Korean law. The second type must have no more than five members, and the leading member must have the highest proportion of at least 30%. The other members must have at least 10% of the shares. Lastly, as for the third type, each member must commit not to fall into bankruptcy or into the process of dissolution. Vietnam MOT acknowledges the difficulty for Korean companies to invest due to the procurement documents. As a result, the MOT revised the document for component 1B by reflecting the feedback from various parties. The document is expected to be republished within end of this year.

1.7 Malaysia

Over the years, Malaysia has utilized PPP initiatives to develop numerous infrastructure projects including energy, education, transport and health. Malaysia successfully completed projects that benefit the public. First, the construction of North–South Expressway was completed in 1988. Furthermore, the SMART Tunnel was completed in 2007 to solve traffic problems. Third, Perdana University is one of the PPP projects in the education sector which was established in 2011. In addition, a gas-fired plant at Sabah is also one of the PPP projects. These projects proved PPP projects to be cost-effective and helpful for economic development as well as enhancement of prosperity for people.

There are four general criteria for the PPP initiative. First, there should be an output specification in terms of performance, quality, and service in accordance with the contracts.

Second, it is also important to have a lifespan of 20 years. Third, it is crucial to have a financial structure to ensure that the project has the required resources for its completion. Fourth, PPP proposals should be submitted directly to the relevant agencies. Typical information that is required for PPP projects includes justification for the proposal, business and financial plan, financial capability and payment mechanism, and risk management.

2. Energy

2.1 Cambodia

The goal of Cambodia's energy policy can be summarized into four points: first, to provide an adequate supply of energy throughout Cambodia at a reasonable and affordable price; second, to ensure a reliable and secured electricity supply; third, to explore environmentally and socially acceptable development of energy resources that supply Cambodia's needs; and fourth, to encourage the efficient use of energy and to minimize detrimental environmental affects resulting from energy supply and consumption.

Cambodia has abundant renewable energy. Having an average of 6 to 9 hours of sunlight per day, Cambodia offers the best solar resources in the entire region. Cambodia also has a high wind energy source especially focused in the southern part of the great lake Tonle Sap. Wind power generation is promising in the mountainous districts and coastal regions



of the country that provide an average annual wind speed of 5m/s or greater. Hydropower is also a potential power source, with the production of 10,000 MW. However, the current contribution of hydropower to electricity production is less than 13%. Biomass energy resources have also been identified from a variety of residues such as rice husk, and acacia. The effectiveness of biogas and biofuel in Cambodia have been demonstrated by several different projects.

As such, Cambodia is gearing up to develop energy infrastructure. Power plant projects that are currently ongoing in Cambodia is as follows: With an install capacity of 100 MW, the Phase 2 Coal Power Plant(II) and the Phase 3 Coal Power Plant(II) which is expected to be completed by 2018 is open for Korean investors. The 200 MW Coal Power Plant(I) in Sihanouk Province is in phase 2 with 135 MW complete is also open to Korean investors. In addition, currently under construction, the 700 MW Coal Power Plant(II) phase 5 with around 100 MW is also an ongoing project. Furthermore, the Coal Power Plant(III) or Gas Power Plant is to be completed by 2020, and the Stung Treng Hydro Power Plant is currently undergoing a feasibility study. By 2020, the development of transmission line is expected to be increased by more than 2,100 km.

2.2 Lao PDR

The Lao PDR energy sector is under process of development, with two third of the population having electricity access. As the number in the PPT booklet shows, the potential is around 26,000 MW in total, but only 17% has been developed. Currently Lao PDR has the capacity of 6,400 MW which can produce electricity of around 34,000 GWh annually. There is also some potential in solar power, and more in wind power. The potential for wind power is high in the eastern part of the country which is bordering Vietnam.

There are various policies and strategies in the power sector of Lao PDR. Hydropower is Lao PDR's priority energy source in achieving social and economic development objectives. It lowers the cost of electricity and earns revenue from exporting to neighboring countries. Energy strategies highlight that power grids should be extended not only in the urban areas but also in the rural areas and tries to maintain tariffs affordable to people. The country plans to increase the electrification rate to more than 95% by 2020 and increase energy efficiency and conservation. The country is targeting to elevate the portion of renewable energy in its total energy consumption to 30% by 2025 and raise power trading to 15,000 MW by 2030.

As a landlocked country, the ASEAN power grid is very important to Lao PDR. Taking



advantage of its geographic location, the country aims to become the middleman in energy trading and also to carry projects specifically focused on transmission. The crucial factor in becoming the middleman is sharing power supply security with the neighboring member countries. With power supply security, Lao PDR will be able to assist in power exchange from east to west and from north to south. Lao PDR will further develop its energy policy to achieve ASEAN power integration. As a starter, Lao PDR highlighted the first multi project of ASEAN; power trade among Lao PDR, Thailand, and Myanmar with 100 MW capacity.

The overall development plan of Lao PDR's power sector is as follows: it would have 53 hydropower projects completed with 6,000 MW and one thermal power plant with 600 MW by 2020. Another 46 plants would be added to the system by 2025. The system would have a maximum output of around 83,000 GWh/year.

Any investor who is interested in investing in Lao PDR's power sector should undergo the following steps. The first step starts with sending a proposal letter to the Ministry of Planning and Investment(MPI) and signing an MOU. Then a feasibility study should take place which the Ministry of Energy and Mines(MEM) screens. The next step is the Project Development Agreement(PDA) stage, where we find a market by identifying the consumer of the production, and classifying whether it will be an export project or a domestic supply. When a market is found, a tariff MOU must be signed and the process moves on to the Concession Agreement(CA).

2.3 Malaysia

Malaysia utilizes the Public Private Partnership (PPP) initiatives to spur infrastructure development. The collaboration spans in various sectors including transportation, energy, health, and education.

Examples of the collaboration include the N-S Expressway, the SMART Tunnel, Perdana University and the Combined-Cycle Gas Power Plant in the energy sector. N-S expressway is the first implementation of PPP using the Build Operate Transfer Model. It maintains a 973-kilometer highway completed in 1988. Completed in 2007, Stormwater Management and Road Tunnel (SMART) was built with the purpose of alleviating the flood problem in KL City center. In the education sector, the Perdana University is a representative project worth of half a billion USD. Finally, related to the energy sector is the Combined-Cycle Gas Power Plant which was built to increase electricity capacity through a 300 MW power plant. It is considered as one of the biggest IPP Projects in Sabah.

Potential fields of cooperation in Malaysia's energy sector include the Low Carbon City Framework (LCCF), which assists the local authorities and developers in decision makings on greener solutions. In addition, the government is also giving out several incentives in green technology through the Green Technology Financing Scheme.

Investors interested in investing should contact the lead agencies in Malaysia which are the Economic Planning Unit, Prime Minister's Department (EPU), and the Ministry of Energy, Green Technology and Water (keTTHA).

2.4 Myanmar

Myanmar heavily relies on electricity in which yearly demand increases around 15% (about 300 MW). Electricity is vital to the social and economic development and the country is more than welcoming investors to expand and construct more electricity generation plants.

As a country enriched with hydropower resources, sustainable hydropower development will be a long-term solution for cheaper and greener energy. In this regard, the country is enhancing public awareness of power resources. Another popular energy related project is the gas-fired plants. With the help from the World Bank, Myanmar is developing electrification plant for universal electricity access by 2030. The Union is working towards achieving full electrification gradually by targeting 50% in 2020, 75% in 2025, and 100% in 2030.

According to the Myanmar Electricity Master Plan, electric power projects can be categorized by size. 10 MW and below is categorized as small scaled projects, between 10 MW and 30 MW medium scale, and over 30 MW large scale power projects. Depending on the size of the projects, regional, state or the union government has the authority respectively. Therefore, Korean investors can contact the regional, state, or union government according to the project size. The Ministry implemented five hydropower projects of about 1500 MW, and 15 transfer projects including wind, hydro, coal, and gas, totaling around 4,500 MW. Currently, there are 60 JV/B.O.T. projects that is expected to generate 58,000 MW power in total.

The largest ongoing hydropower project in Myanmar is the Shwe Li 3 hydropower project. Located in the northern part of the country, the project is in the EDF's proposed project investment structure. There is also an upcoming 500kV transmission line project. The TTaung Ngu-Pha Yar Gyi transmission line will be finished with a KEXIM loan. The transmission line is 187 km, and the loan amount is \$100 million. Consultants are the Consortium of Sunjin Engineering & Architecture, Korea Electric Engineering & Consulting, and Whishing Power Tech. The tender will be launched in the near future and this is one of the upcoming opportunities.

Several potential projects that are in the implementation stage in the power sector of Myanmar are hydropower, power transmission line (132 kV, 230 kV and 500 kV), and sub-stations. The country has so many opportunities such as generation, transmission, distribution from the power sector, and the upstream & downstream activities in the petroleum sector. Korean companies can participate in the international competitive bidding when the tender is launched and apply in accordance to the Myanmar Investment Commission(MIC) rules and regulations.

3. ICT

3.1 Cambodia

Cambodia's ICT sector has been growing fast in a short period of time as can be seen in the mobile penetration and subscription rate. As of November 2016, its mobile phone services subscription reached over 19 million. At the same time, 2G mobile network covers about 99% of its population and 73.7% of the land area. However, there still is a comparably smaller coverage of 4G mobile network, covering 57.5% of the population and 12.7% of the land area.

The goals of ICT in Cambodia are empowering people, ensuring connectivity, enhancing capabilities and enriching services. Meanwhile, its three major strategic thrusts are i) strengthening the foundation of telecom/ICT development, ii) strengthening ICT Security and developing the industry, and iii) promoting the ICT usage.

In an effort to expand its infrastructure and develop the ICT sector in August 2014, the government has launched the Cambodia ICT Masterplan 2020, sponsored by KOICA. The Cambodian government has also promulgated law on telecommunications on December 2015. On top of these efforts, the policy Telecommunication and ICT Development 2020 has been launched on April 2016.

Cambodia's most recent major PPP projects in the ICT infrastructure are the Government



Administration Information System (GAIS) and Provincial Administration Information System (PAIS) that continued from 2001 to 2009. The Data Management Center (DMC) Project was also completed in 2008. The lesson learned from the GAIS project was to improve the inter-ministerial cooperation by having an integrated system among the ministries of the Cambodian government.

3.2 Myanmar

Myanmar telecommunication sector was liberalized and reformed in 2012. With the liberalization, a new telecommunication law was enacted in October 2013. Since then, the new law has allowed international and domestic private sectors to participate in free and fair competition.

There are four different types of licenses for the investors in the ICT sector. Network Facilities Service I (NFS I), Network Service (NS), Application Service(AS), and Network Facilities Service C (NFS C). Table below shows descriptions of each license.

NFS LICENSE (not exhaustive)	AS LICENSE (no exhaustive)
<ul style="list-style-type: none">• Terrestrial fixed line and radio transmission• Submarine cable facilities• Satellite earth station facilities• Mobile base station facilities and passive infrastructure to deploy networks	<ul style="list-style-type: none">• Public payphone services• Public switched data services• Audio-text hosting services provided on an opt-in basis• Directory services• Internet service provider services• Messaging services and Value-added services
NS LICENSE (not exhaustive)	NFS(C) LICENSE (no exhaustive)
<ul style="list-style-type: none">• Wireline connectivity services• Terrestrial wireless connectivity services• Satellite uplink/downlink connectivity services• International and domestic network transport and switching services• International gateway services	<ul style="list-style-type: none">• Towers, masts , ducts• Trenches and poles• Dark fiber

Myanmar's telecommunications market is characterized by a highly complementary combination of mobile retails and wholesale infrastructure service providers. MPT, Telenor and Ooredoo are the three major fiber optic and tower construction companies in Myanmar.

The Directorate of Investment and Company Administration (DICA) is in charge of handling company registrations for local and foreign businesses under the Companies Act. DICA also serves as a secretary to the Myanmar Investment Commission (MIC), which is the responsible body for receiving investment applications. MIC has been formed under the Myanmar Investment Law that was enacted in October 2016, and it is responsible for verifying and approving investment proposals. More information is available at www.dica.gov.mm.

On the other hand, Myanmar has challenges to overcome in building telecommunications infrastructure. The examples of challenges are i) poor metropolitan fiber network for fixed broadband, ii) absence of telecom infrastructure plan in city plans, and iii) conflict areas in the northern and the eastern parts of Myanmar.

The two projects - Irrawaddy Green Towers Ltd, Construction of Optical Fiber Routes and Installation of DWDM Equipment by Myanmar Posts and Telecommunications (MPT) – have been the most successful ones in Myanmar's ICT infrastructure development.

3.3 Thailand

Thailand has seen 159% growth of tech startups. There are potential factories that will be digitized soon, including 985 factories in the food industry, 307 factories in the automobile industry, 275 factories in the electronic industry and 52 factories in the bio fuel industry.

In the meantime, the Digital Park Thailand provides the biggest IoT & AI testbed in Thailand, offering 115 hectares for residence and research. The feasibility study for this Digital Park project was finished in June 2017, and it is currently in its first phase. The government is planning to start construction of utilities in March 2018, which will be the start of the second phase.

The Board of Investment(BOI) provides various types of investment promotions. According to its Investment Promotion Act, investors can enjoy exemption of import duties on machinery and raw materials used for export production and other types of duty exemption. Regarding non-tax incentives, investors can also enjoy permission to own land and bring in foreign experts. More beneficial incentives in the Digital Park will be the matching services with local demands for innovative activities.



3.4 Vietnam

The presentation deals with the general legal framework, previous case studies on application procedures of Public-Private Partnership (PPP) in Vietnam's ICT industry.

According to Vietnam's Decree 15, PPP investment should be based on a contract between authorized state agencies and investors. It should be also based on competition, fairness, transparency and economic effectiveness. Looking further into PPPs in the field of ICT, Circular 21/2016/TT-BTTTT was promulgated by the Ministry of Information and Communications. This law states that ICT areas are open for PPP projects such as the national information system, database system, e-Government based information system, and information security solutions. According to this Circular, incentives from the government will be given to the investors. Some examples are receiving a 50% deduction on fees for land-use and personal income tax.

The first PPP in the ICT sector was a project on e-commerce application of government procurement (e-GP), which is similar to Korea On-line E-Procurement System (KONEPS). With its Net Profit Value (NPV) of \$5 million, e-GP was the first and the most successful PPP project in Vietnam.

Presenters

Session	Country/Organization	Name	Position/ Department
Session1	Asian Development Bank	Mr. Takeo Koike	Director of Office of Public-Private Partnership
	World Bank	Mr. Clive Harris	Practice Manager for Infrastructure, Public-Private Partnerships, and Guarantees
	Export-Import Bank of Korea	Mr. Um Sung Yong	Director of Global Business Development Group
	Macquarie Korea	Mr. Brad Kim	Managing Director of Infrastructure, Utilities & Renewables Asia
Session2 (Transport)	[Indonesia] Ministry of Transport	Mr. SUPRASETYO	Senior Advisor to the Minister for Regional Economy and Transportation Partnership
	[Laos] Ministry of Public Works and Transport	Dr. Oulay Phadouangdeth	Director General of Department of Planning and Cooperation
	[Philippines] Department of Trade and Industry	Ms. Ruth B. Castelo	Undersecretary
	[Philippines] Public-Private Partnership Center	Ms. Florinda P. Inoturan	Division Chief of the Consultant Recruitment Division
	[Singapore] Land Transport Authority	Mr. Kian Thong Tan	Project Director of Thomson East Coastline-Civil Team6
	[Thailand] Ministry of Transport	Dr. Chayatan Phromsorn	Deputy Director of Office of Transport and Traffic Policy and Planning
	[Vietnam] Ministry of Transport	Ms. Linh Nguyen Thuy	Officer of PPP Department
	[Malaysia] Ministry of Foreign Affairs	Ms. Lim Hooi Shin	Assistant Director of ASEAN-Malaysia National Secretariat
Session2 (Energy)	[Cambodia] Ministry of Mines and Energy	Mr.KIN Sothea	Chief of Energy Planning Department
	[Laos] Ministry of Energy and Mines	Mr. Litthanoulouk Laspho	Chief of Energy Policy Division
	[Malaysia] Ministry of Foreign Affairs	Mr. Mohd Shahafeez Bin Shaharis	ASEAN-Malaysia National Secretariat
	[Myanmar] Ministry of Electricity and Energy	Mr. Mya Thura	Director of Department of Hydropower Implementation

Session2 (ICT)	[Cambodia] Ministry of Post and Telecommunication	Mr. Sothon Peou	Chief Officer of General Department of Information and Communications Technology
	[Myanmar] Ministry of Transportation and Communication	Mr. Min Min Htut	Deputy Director of Post and Telecommunications Department
	[Thailand] Ministry of Information and Communication Technology	Ms. Sumavasee Salasuk	Director of Office of Digital Park Thailand
	[Vietnam] Ministry of Information and Communication	Mr. Duong Khanh Duong	Deputy Director of General Affairs and International Cooperation Department

One-on-one Business Meetings



Major Korean companies including Samsung SDS, KT, Lotte Engineering & Constructions, Daewoo E&C, Posco E&C, Hyundai Corporation, and Korea Engineering Consultants Corp., had in-depth consultations with ASEAN delegates and financial institutions.

About 70 business meetings took place during the session, while 92 percent of the participants expressed their satisfaction with the business meetings; surveys indicated that the meetings were fruitful and they will be helpful for their future investment in ASEAN.



ANNEX

Program Outline

Wednesday 29 November		
Time	Program	Venue
The 5th ASEAN Connectivity Forum		
09:00-09:30	Registration	
09:30-10:00	Opening Session <ul style="list-style-type: none"> • Opening Remarks by H.E. Amb. Kim Young-sun Secretary General of the ASEAN-Korea Centre • Welcoming Remarks by Mr. Kim Jun-dong Executive Vice Chairman of the Korea Chamber of Commerce and Industry • Congratulatory Remarks by H.E. Bambang Brodjonegoro Minister of the National Development Planning of Indonesia • Congratulatory Remarks by H.E. Son Byeong-suk Vice Minister for Land and Infrastructure of the Ministry of Land, Infrastructure and Transport of Korea • Congratulatory Remarks by H.E. Amb. Yoon Soon-gu Deputy Minister for Political Affairs of the Ministry of Foreign Affairs of Korea 	
10:00-10:20	Keynote Speech <ul style="list-style-type: none"> • Keynote Speech by H.E. Amb. Elizabeth P. Buensuceso Chairwoman of the ASEAN Connectivity Coordinating Committee and Permanent Representative of the Philippines to ASEAN 	KCCI Grand Hall (B2)
10:20-10:30	Photo Session	
10:30-10:45	Coffee Break	
10:45-12:20	Session1. Financing and Procurement for Public-Private Partnership Projects in ASEAN <ul style="list-style-type: none"> • Moderator: Mr. Kwon Jae-hyung Head of North Asia and Representative to Korea Office, Multilateral Investment Guarantee Agency • Presentation by Mr. Takeo Koike Director of Office of Public-Private Partnership of the Asian Development Bank • Presentation by Mr. Clive Harris Practice Manager of Public-Private Partnership Group of the World Bank • Presentation by Mr. Um Sung-yong Director of Global Business Development Group of the Export-Import Bank of Korea • Presentation by Mr. Brad Kim Managing Director of Infrastructure, Utilities & Renewables Asia for Macquarie Capital 	

Media articles

The Korea Herald

Dec 4, 2017

ASEAN connectivity woos smart tech, infrastructure investments

The Master Plan for ASEAN Connectivity 2025 blueprints a “seamlessly and comprehensively connected and integrated Association of Southeast Asian Nations that will promote competition, inclusiveness and a greater sense of community.”

Enhancing physical, institutional and social linkages across Southeast Asia is a priority of ASEAN governments, a goal shared and facilitated by Korea, which is pivoting toward the rising regional economic powerhouse.

As ASEAN generally suffers from a shortage and dilapidation of infrastructure, Korea’s expertise in industrial and infrastructural development comes in handy, particularly in the frontier fields of smart transportation, renewable energy and information and communication technology, industry experts said at the fifth ASEAN Connectivity Forum on Wednesday.

The event was jointly organized by the ASEAN-Korea Center and Korea Chamber of Commerce and Industry, and invited many high-level government officials, financial institution and corporate executives, scholars and journalists from ASEAN and Korea.



Participants pose for a picture at the fifth ASEAN Connectivity Forum on Wednesday. (ASEAN-Korea Center)

Experts from multilateral development banks offered comprehensive overviews of financing and procurement through the public-private partnership arrangement; ASEAN government representatives presented the latest information on key connectivity-related projects; and Korean investors and ASEAN company representatives engaged in one-on-one business meetings.

“Recently, we have seen positive signs that global private capital is increasingly invested in developing countries’ infrastructure projects,” said Bambang Brodjonegoro, Indonesian minister of national development planning. “Multilateral development banks such as the World Bank, Asian Infrastructure Development Bank and Asian Development Bank, as well as government agencies of developing countries have assisted the PPP framework in most ASEAN countries, to attract more private sector and foreign investments in infrastructure projects.”

ASEAN needs \$3.3 billion of investment in its transportation, water, energy and ICT infrastructures through 2030, the second-largest demand in the world after the Middle East, according to a report by McKinsey and Co. The region’s combined population of 670 million people and combined gross domestic product of \$2.6 trillion present gigantic commercial opportunities, experts say.

“Korean President Moon Jae-in’s vision for a ‘future Korea-ASEAN community’ comprises people-to-people exchanges, security cooperation and economic collaboration, a goal ASEAN and Korea can pursue together,” said Yoon Soon-gu, Korea’s deputy foreign minister for political affairs. Seoul will provide an additional \$100 million to its Global Infrastructure Fund for increased investment in ASEAN by 2022, he added.



ASEAN-Korea Center Secretary General Kim Young-sun speaks at the 5th ASEAN Connectivity Forum on Nov. 29 (ASEAN-Korea Center)

ASEAN-Korea Center Secretary General Kim Young-sun speaks at the 5th ASEAN Connectivity Forum on Nov. 29 (ASEAN-Korea Center)

Son Byeong-suk, Korea's vice minister of land, infrastructure and transport, said the forum will help formulate different models of strategic collaboration between the two regions' governments and companies, financial institutions and technical centers.

"I firmly believe that combining ASEAN's boundless growth potential and the people's passion for national development on one hand, with Korea's experience, technology and financing on the other hand, would contribute greatly to both their economic growth," said Son.

ASEAN is Korea's second-largest trade partner and top investment destination, and the two sides are working to reach \$200 billion in bilateral trade by 2020. Since the entry into force of the ASEAN-Korea Trade in Goods Agreement in June 2007, bilateral trade in goods has grown by 9.2 percent annually, reaching \$125 billion last year and making Korea ASEAN's fifth-largest trade partner.

"The Master Plan for ASEAN Connectivity 2025 targets five strategic areas of sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence and people mobility," said Ambassador Elizabeth P. Buensuceso, chair of the Committee of Permanent Representatives to ASEAN and ASEAN Connectivity Coordinating Committee.

"By 2025, we should like to have increased infrastructure investments, higher infrastructural productivity and more application of smart city models throughout ASEAN."

By Joel Lee (joel@heraldcorp.com)

<http://www.koreaherald.com/view.php?ud=20171204000906>

연합뉴스

"아세안 인프라 시장 진출 타진"...29~30일 대한상의회서 포럼

2017/11/14

한-아세안센터(사무총장 김영선)는 대한상공회의소(소장 박용만)과 함께 29~30일 서울 중구 세종대로 대한상공회의소에서 '제5회 아세안 연계성 포럼'을 개최한다고 14일 밝혔다.

한-아세안센터가 2013년부터 해마다 열고 있는 아세안 연계성 포럼은 아세안 10개 회원국 간의 물리적·제도적·인적 연결을 강화하고 한국 기업의 아세안 인프라 시장 진출을 지원하기 위한 자리로, 교통·에너지·정보통신기술(ICT) 분야의 인프라 프로젝트 발표와 비즈니스 상담 등이 이뤄진다.

첫날 오전 9시 30분 국제회의장에서 열릴 개회식은 한-아세안센터 김영선 사무총장의 개회사, 대한상공회의소 이동근 상근부회장의 환영사, 김현미 국토교통부 장관·인도네시아 방람 브로즈노고로 국가개발기획부 장관·조현 외교부 차관의 축사 등의 순으로 진행된다.

이어 엘리자베스 부엔수세스 아세안연계성조정위원회 의장이 기조연설을 통해 '아세안 연계성 마스터플랜 2025'의 진행 경과를 설명하고 아시아개발은행, 세계은행, 아시아인프라투자은행, 한국수출입은행, 맥쿼리코리아 관계자가 '아세안 민간협력 프로젝트 추진 방안과 사례'를 발표할 예정이다.

오후에는 교통, 에너지, ICT 분야로 나눠 각국 공무원들이 차례로 프로젝트를 발표하고 참가 기업 관계자들과 질의 응답을 펼친다. 30일에는 세미나실에서 1대 1 비즈니스 미팅이 마련된다.



김영선 한-아세안센터 사무총장이 지난해 11월 8일 서울 여의도 전경련회관 콘퍼런스 센터에서 열린 제4회 아세안 연계성 포럼에서 개회사를 하고 있다. [연합뉴스 자료 사진]

김영선 한-아세안센터 사무총장은 "아세안 연계성 마스터플랜에 따르면 2030년까지 아세안의 교통 · 전력 · 통신 등 인프라 수요가 3조3천억 달러에 이를 것으로 전망되며 문재인 대통령의 아세안 순방에 따라 우리 기업의 진출 기회가 더욱 확대될 것으로 기대된다"면서 "이번 포럼이 한국과 아세안 간 '원원 파트너십'을 더욱 강화하는 계기가 되기를 바란다"고 밝혔다.

이희용 기자

[http://www.yonhapnews.co.kr/bulletin/2017/11/13/0200000000A
KR20171113160400371.HTML?input=1195m](http://www.yonhapnews.co.kr/bulletin/2017/11/13/0200000000A
KR20171113160400371.HTML?input=1195m)

매일경제

밤방 브로조누고로 국가개발 장관 "인니 제2수도 건설에韓신도시 벤치마킹"

2017/12/15



"새 수도 건설에 세종시 성공 사례를 참고하고 있다. 인도네시아의 새 수도 건설은 신도시 건설 경험이 풍부한 한국 기업들에 큰 기회가 될 것이다."

밤방 브로조누고로 인도네시아 국가개발기획부 장관은 최근 매일경제신문과 인터뷰하면서 "제2의 자카르타는 스마트시티 콘셉트를 담아 새로운 도시로 만들 계획"이라며 이같이 말했다. 인도네시아 정부는 수도인 자카르타가 조만간 포화 상태에 이를 것으로 예상되면서 수도 이전을 준비하고 있다.

현재 보르네오섬 칼라만탄주(州) 중부의 주도(州都) 팔랑카라야가 유력한 후보지로 거론되고 있다.

브로조누고로 장관은 "새 수도에 행정기능뿐 아니라 마이스(MICE:기업회의·포상관광·컨벤션·전시) 시설을 비롯해 문화·예술과 스포츠센터 등도 들어설 것"이라고 소개했다. 이어 "민간 자본을 동원한 민관협력사업(PPP)을 적극 활용할 계획"이라며 "한국 기업들이 건설뿐 아니라 컨설팅, 디자인, 설계, 감리 등 다양한 분야에 관심을 가져볼 만하다"고 말했다.

인도네시아는 아세안(ASEAN·동남아국가연합) 중에서 영토가 가장 크고 인구(2억6500만명)도 가장 많지만 인프라 수준은 열악한 편이다. 브로조누고로 장관은 "인도네시아는 아세안 PPP시장에서 후발주자지만 규모의 경제를 기대할 수 있다는 장점이 있다"며 "정부가 다른 나라들의 PPP 모델을 연구하며 민간 기업과 투자 위험을 공유하고 인프라 기금을 조성하는 등 제도 개선에 힘쓰고 있다"고 말했다.

브로조누고로 장관은 이번 방한 때 한국전력, 삼성물산, GS건설, 두산중공업 등을 찾았다. 그는 "인프라 시장에 진출한 해외 기업들이 수익을 낼 수 있도록 정부가 최대한 지원할 것"이라며 "인프라 사업 협력 방안에 대한 한국 기업의 제안도 환영한다"고 말했다.

임영신 기자

<http://news.mk.co.kr/newsRead.php?year=2017&no=831310>



ASEAN-KOREA CENTRE

The ASEAN-Korea Centre was established as an intergovernmental organization with the aim to promote exchanges among Korea and the 10 ASEAN Member States. It was officially inaugurated in 13 March 2009, the year which marked the 20th anniversary of the Dialogue Partnership between ASEAN and Korea in accordance with the Memorandum of Understanding (MOU) signed at the 11th ASEAN-Republic of Korea (ROK) Summit in November 2007 and entered into force in December 2008.

VISION

To be a key player in building a lasting and genuine partnership between ASEAN and Korea

GOALS

- Enhance ASEAN-Korea partnership
- Promote mutual understanding through cultural exchange and people-to-people contact
- Support ASEAN integration efforts

MANDATES

- Increase trade volume
- Accelerate investment flow
- Invigorate tourism
- Enrich cultural and people-to-people exchange

ACTIVITIES

The ASEAN-Korea Centre implements diverse work programs and activities to strengthen mutual cooperation and deepen friendship among the ASEAN Member States and Korea through increasing trade volume, accelerating investment flow, invigorating tourism, and enriching cultural and people-to-people exchange.

MEMBERS



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ASEAN-KOREA CENTRE



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