



GOVERNMENT OF  
WESTERN AUSTRALIA

**Invest & Trade**  
WESTERN AUSTRALIA



# ASEAN Market Outlook

**2022-23**

Trade and investment opportunities  
for Western Australian businesses

# ASEAN market overview

Combined gross domestic product

**US\$3.4 trillion**

(EIU 2021)

Combined population

**667 million**

3rd largest in the world (2021)

If ASEAN were a single country it would have the

**5th largest**

economy in the world

The Association of Southeast Asian Nations (ASEAN) is a cooperative, intergovernmental group of 10 neighbouring countries – Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

ASEAN has some of the world's fastest-growing economies, which offer a broad range of opportunities for Western Australian

businesses looking for a new and growing export market. Many ASEAN countries are industrialising and urbanising, which has led to growing demand for minerals and energy. With a rapidly growing middle class and young populations that are digitally savvy, there is also demand for higher standards of consumer goods, education and training services and new technologies.

## Western Australia's trade relationship with ASEAN

**2012**

Established the Invest and Trade WA Singapore office; 1992 Western Australia established an Invest and Trade WA Jakarta office

**\$34.1 billion**

2nd largest trading partner in 2021-22

**\$24.0 billion**

3rd largest export market with 37% of Australia's merchandise exports to ASEAN in 2021-22

Western Australian merchandise exports to ASEAN in 2021-22



**11%**  
Iron ore



**57%**  
Petroleum



**8%**  
Non-monetary Gold

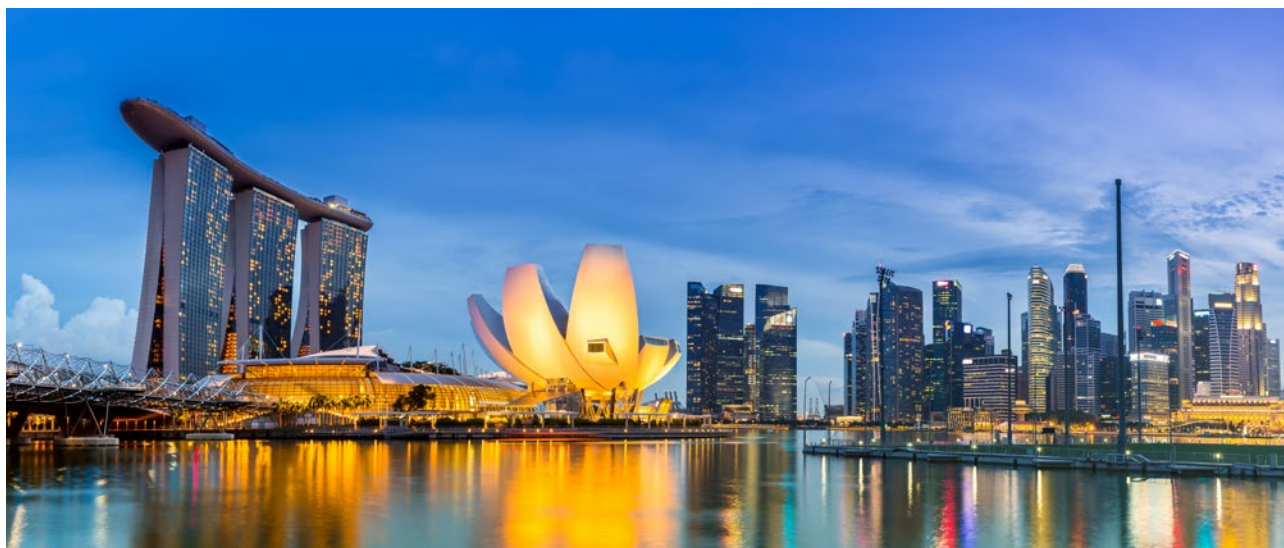


**6**

ASEAN countries were ranked in the State's top 20 export markets in 2021-22:

Singapore (4th)  
Indonesia (8th)  
Thailand (10th)

Malaysia (11th)  
Vietnam (13th)  
The Philippines (15th)



The Western Australian Government supports local businesses pursuing opportunities with ASEAN countries through Invest and Trade WA. This includes advice and assistance to Western Australian companies looking to export to ASEAN countries or attract investment to grow their business.

The relationship between Western Australia and Vietnam is supported by a memorandum of understanding (MOU) between the State and Ba Ria-Vung Tau Province. Signed in September 2020, the MOU strengthens economic and cultural ties between Ba Ria-Vung Tau Province and Western Australia. The MOU has a focus on economic development, education and culture and the arts and is supported by a detailed Plan of Action which was signed in October 2021. It provides Western Australian businesses with a competitive edge in accessing opportunities in Ba Ria-Vung Tau Province and Vietnam as a whole.

The relationship between Western Australia and Indonesia is also supported by the Western Australia-East Java sister-state relationship. Established in August 1990, this sister-state relationship provides Western Australian businesses with a competitive edge in accessing opportunities in East Java.

ASEAN countries are key markets under Western Australia's Asian Engagement Strategy 2019 – 2030, which supports:

- » maximising trade and investment opportunities
- » Asia literacy and capability
- » people-to-people links
- » business networks and communities.

Australian investors and exporters receive preferential market access through free trade agreements (FTAs). Western Australian businesses looking to expand into ASEAN countries can reap the benefits of these agreements.



## **ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)**

AANZFTA entered into force in January 2010, delivering extensive tariff reductions and greater certainty for service providers and investors across the Association of Southeast Asian Nations (ASEAN) countries, Australia and New Zealand.

The leading opportunities for Australian businesses from AANZFTA include:

- » Increased access for Western Australian primary producers of meat and livestock, fish, grains, horticulture and wine
- » Increased access for minerals, iron, steel, copper, lead, zinc and aluminium
- » Binding existing levels of market access for various service sectors and guarantee of certain legal protections for investment
- » Increased access for the temporary entry of Australian service suppliers.

## **Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**

CPTPP is an FTA between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Vietnam. The agreement was signed in March 2018. The CPTPP incorporates the provisions of the Trans Pacific Partnership Agreement, with the exception of a limited set of provisions.

The main benefits from the CPTPP include:

- » Increased market access for Western Australian primary producers for beef dairy, sugar, cereals, grains and rice, sheep meat, cotton and wool, seafood, horticulture and wine
- » Increased market access for manufactured goods
- » Increased levels of certainty for Australian services exporters, reducing some regulatory risks that these firms confront internationally
- » Greater access for Australian companies to CPTPP members' government tenders

- » Elements that deliver a more liberalised and predictable regime for the regulation of foreign investment, including in key sectors such as mining and resources, telecommunications and financial services.

## **Regional Comprehensive Economic Partnership Agreement (RCEP)**

RCEP negotiations were launched in November 2012 between ASEAN (that includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and ASEAN's FTA partners (Australia, China, India, Japan, New Zealand and South Korea). On 15 November 2020, Ministers from 15 countries signed the Agreement.

The main benefits of RCEP include:

- » Increased opportunities for Australian business to build and access regional value chains and significantly reduced burden of complying with rules of origin
- » Increased market access including, in education, healthcare and other business services
- » Core investment protection, providing greater protection for Australian investors in these markets
- » Easier access to enter and work in RCEP markets
- » Easier access to government tenders and increased certainty for intellectual property rights holders.

Australia also has bilateral FTAs with Singapore, Thailand, Malaysia and Indonesia.

For further information on Australia's free trade agreements (FTAs) with ASEAN countries visit: [ftaportal.dfat.gov.au](https://ftaportal.dfat.gov.au)





# Trade and investment opportunities with ASEAN

An outline of trade and investment opportunities with ASEAN is provided below, categorised under Western Australia's key industry sectors.

Each section also describes the Western Australian Government's actions to support businesses pursuing these opportunities in 2022–23. The actions are a combination of initiatives to assist Western Australian businesses to develop their export capability (sector-based) and activities that specifically support trade and investment opportunities with ASEAN countries (market-based).

## Energy

According to the International Energy Agency, energy demand in Southeast Asia has increased by around 3% a year over the past two decades and this trend is projected to continue to 2030. Southeast Asian countries are in varying stages of development, but almost all of the Southeast Asian economies have more than doubled in size since 2000. Energy demand across ASEAN countries is driven by rising average incomes, industrialisation, urbanisation and green energy transition.

The transition toward low-carbon energy sources will see more widespread adoption of Liquefied Natural Gas (LNG) and hydrogen in ASEAN energy systems. The development of the regional LNG market and the construction of more integrated liquefaction and gasification infrastructure will progressively open new LNG markets in ASEAN. For instance, Singapore is set to become a key regional LNG bunkering hub and Malaysia is expanding its LNG and renewable energy portfolio. As ASEAN countries prepare to gradually decarbonise their economies, the ASEAN regional offices will continue to explore possible regional linkages for Western Australia in relation to low-carbon energy.

ASEAN countries are following the global trend and moving toward cleaner energy sources, including renewables. Initially, the deployment of renewable energy in ASEAN countries may



be better suited to populations outside major cities and focus on green energy provision and battery storage. This will create opportunities for renewable energy companies to enter ASEAN markets and for the delivery of training in related skills (e.g. maintenance and repair).

### Western Australian Government actions

- » Facilitate projects to stimulate the renewables industry in Western Australia, including implementation of the State's Renewable Hydrogen Strategy.
- » Facilitate engagement between Western Australian businesses and ASEAN's remote and renewable power sectors.
- » Connect Western Australian industry to opportunities in the ASEAN energy sector and facilitate business meetings and seminars to promote partnerships.
- » Continue to implement Western Australia's Lead Agency Framework to facilitate major projects and proposals in Western Australia.



- » Develop virtual/hybrid events, conferences, seminars and forums that will allow relevant decision makers in ASEAN to engage with Western Australian renewable energy proponents.

## Tourism, events and creative industries

ASEAN countries offer strong long-term potential as a tourism market for Western Australia, particularly given their proximity to the State.

In 2019<sup>1</sup>, there were around 282,000 visitors from ASEAN countries to Western Australia. As individual markets, Singapore, Malaysia and Indonesia ranked second, third and seventh, respectively, in the number of visitors.

### Western Australian Government actions

- » Establish Western Australia as the most desirable destination choice for international leisure visitors through the delivery of a new world-class tourism brand.
- » Investigate opportunities for additional direct flights between Western Australia and the ASEAN region.
- » Support key distribution partners in-market to promote Western Australia as a premier tourism destination.
- » Explore opportunities to promote Western Australia's creative industries through artist exchanges as part of Western Australia's MOU with Ba Ria-Vung Tau Province and sister-state relationship with East Java.

<sup>1</sup> Due to COVID-19 travel restrictions from 2020-2022 the composition of international visitors in these years was significantly different from previous years. International visitor statistics for 2019 provide a better representation of the relative size of each market.

## International education

ASEAN countries accounted for 18% of international student enrolments in Western Australia in 2021. Malaysia is the fifth largest market for higher education, while Vietnam and Malaysia rank highly for school enrolments in Western Australia.

Western Australia's universities have also established a presence in ASEAN countries, including Curtin University's campuses in Singapore and Malaysia and Murdoch University's campus in Singapore. Murdoch has also offered business courses in Myanmar since 2018.

There is potential to grow international student enrolments from ASEAN countries. Indonesia and the Philippines in particular have large and relatively young populations and growing economies, creating demand for education and training that cannot be met entirely by domestic institutions.

Markets that have industries in common with Western Australia present specific opportunities. An example of this is education and training services for the mining and oil and gas industries in Indonesia, Vietnam, the Philippines and Myanmar.

The Education Business Development Managers based in the Invest and Trade WA Jakarta and Hanoi offices work with education agents across the ASEAN region to promote Western Australia as an education destination, including undertaking education agent training and familiarisation tours.

### Western Australian Government actions

- » Leverage the State's offshore international education marketing campaign in-market.
- » Work with education agents in the region to elevate the profile of Western Australia's education sector and promote study programs offered by Western Australian universities and vocational education institutions.
- » Work with StudyPerth to promote Western Australia as a study destination of choice to education institutions and students across ASEAN.
- » Gather intelligence to provide regular updates on in-market activities and trends to inform Western Australia's international education policy.
- » Collaborate with Western Australian education providers to undertake promotional activities and roadshows in ASEAN to assist universities and pathway providers in student recruitment.

- » Support international education consortia activities in Western Australia and the ASEAN region, including through the Education Business Development Managers located in Hanoi and Jakarta.
- » Establish Education Business Development Manager positions in Malaysia and the Philippines.
- » Promote partnerships between relevant organisations in Western Australia and Ba Ria-Vung Tau Province in the education and training sector.
- » Promote Western Australia as a favoured education destination within the ASEAN countries, including by:
  - » collaborating with education agents on relevant events and programs that promote the Western Australia School Curriculum and Standards Authority (SCSA), universities, TAFE institutions and public and private schools
  - » exploring the possibility of SCSA offering the Western Australian pre-primary to Year 10 curriculum to select education institutions in ASEAN countries
  - » exploring how Western Australia's TAFE institutions can develop a footprint in Malaysia and the Philippines' education sector and the broader ASEAN region.
- » Support Western Australian universities with campuses in the ASEAN region to expand their student, academic and research links in the ASEAN region.

## Mining and mining equipment, technology and services (METS)

Western Australia's mining exports to ASEAN are relatively small compared to the State's mining exports to the markets in North East Asia. As the pace of industrialisation and urbanisation increases in ASEAN countries, there will be opportunities for Western

Australian businesses to grow mining exports across the region, particularly in relation to critical minerals.

Transformative technologies such as automation, machine learning, robotics, data analytics, remote sensing and digitisation are integral components of Western Australia's METS sector. Western Australia's technology-enabled mining sector presents opportunities for the export of METS capabilities to ASEAN countries aiming to further develop their domestic mineral resource sectors.

Many ASEAN countries are significant mineral commodity producers. Indonesia and the Philippines are the world's leading producers of nickel, while coal, copper, gold and tin are produced in large volumes in the region. Domestic mining operations in ASEAN countries will need to become more productive to satisfy the growing demand for such commodities. As such, there are emerging opportunities for Western Australian METS businesses in areas including work safety, environmental sustainability and corporate social responsibility.

### Western Australian Government actions

- » Promote Western Australia's METS capabilities via targeted communications and outreach to mining industry bodies and associations in ASEAN.
- » Work with Austmine's Western Australian METS Digital Mining Export Hub to market regional opportunities to Western Australia's METS and petroleum engineering and technical services sectors.
- » Continue to streamline approvals processes and regulatory reforms to create a more attractive investment environment for the mining industry.
- » Promote Western Australia as an option to provide expertise, including in offshore exploration and extraction, decommissioning and autonomous technologies.





- » Attract investment into critical minerals projects in Western Australia by:
  - » facilitating understanding of Western Australia's potential as a secure and reliable supplier and processor of critical minerals, including rare earth elements
  - » developing investment attraction and trade promotion strategies for ASEAN.

## Health and medical life sciences

With rising incomes, the demand for quality health services is increasing across ASEAN. There are opportunities for Western Australian organisations that provide health-related vocational training services to deliver hospital administration, patient management, diagnostics and aftercare courses and best practice instruction. Other avenues for market entry include technology-enabled medical consultations and health technology.

While the population of ASEAN as a whole is relatively young, some countries, such as Thailand and Singapore, have ageing populations. There will be long-term opportunities for businesses to provide innovative aged care products and services to these markets.

The Western Australian Government has established the Future Health Research and Innovation Fund. The fund aims to drive health and medical research, innovation and commercialisation to better position the State as a leader in research and innovation and provide opportunities for collaboration with international partners.

The Western Australian Government has also developed the State's first Health and Medical Life Sciences Industry Strategy. As one of the fastest-growing regions in Australia for health and medical life sciences, this strategy aims to drive the growth of the industry that spans digital health, medical technology, biotechnology, pharmaceuticals and health and wellness. The strategy focuses on attracting investment, growing research and development and commercialising medical products and services.



### Western Australian Government actions

- » Implement the Health and Medical Life Sciences Industry Strategy.
- » Support engagement with ASEAN life sciences organisations to explore mutually beneficial commercialisation of Western Australian biomedical technology and capabilities.
- » Implement the Future Health Research and Innovation Fund and develop and implement communication tools to enable engagement with current and potential fund stakeholders.
- » Promote Western Australia's health and aged care skills, services and products by:
  - » working with Western Australian aged care service providers and education institutions to expand links into ASEAN countries
  - » identifying potential investors and/or partners in ASEAN countries for the Western Australian aged care services sector, focusing on design for aged care living, enabling technologies and clinical care
  - » exploring opportunities for Western Australian organisations to provide their expertise in designing, establishing and managing aged care facilities.



## Primary industries

The ASEAN region is already a leading market for Western Australia's agricultural exports, with demand for a range of commodities. For example, Indonesia ranks highly as a market for wheat and beef, Singapore ranks highly for dairy products and fruit and vegetables, while the Philippines, Malaysia and Vietnam are important markets for Western Australia's primary industry exports.

Western Australia's reputation as a reliable supplier of clean, safe and high-quality food and its existing agricultural trade relationship with the region provides a platform to increase supply to meet ASEAN's growing demand for premium agrifood products. This will require Western Australian businesses to develop well organised supply chains between producers, packers, distributors and retailers.

At the same time, agriculture remains a significant industry in many ASEAN countries for both economic and cultural reasons. As demand for food grows, there are opportunities for Western Australian businesses to provide agricultural technology and services to help ASEAN countries increase the efficiency and output of their agricultural sectors.

## Western Australian Government actions

- » Increase the visibility of Western Australia's agrifood commodities and premium products in ASEAN countries.
- » Strengthen links with retailers, hotel and restaurant operators in ASEAN countries to assist Western Australian agrifood industries to access new market opportunities.
- » Further leverage Western Australia's success in exporting products such as wine, vegetables, meats and grain to the ASEAN market.
- » Engage with food processors in ASEAN countries to explore opportunities to supply quality commodity exports such as dairy, wheat and barley from Western Australia.
- » Showcase Western Australian products at international events such as Food Hotel Asia (Singapore), Asia Fruit Logistica (Thailand), VinEXPO (Singapore) and Plating Up WA (Singapore).
- » Support Western Australian agribusinesses to invest in new market development projects, including in the food and beverage industry.



# Western Australian business success with ASEAN

## Club Moolia

The Invest and Trade WA Singapore office worked with Ascapia Capital to support the development of Asia Pacific's first automotive country club, Club Moolia, which will be located in Western Australia. The prestigious \$100 million country club to be constructed in Bindoon, 84 kilometres from Perth, will include a Formula One inspired 4.6 kilometre racetrack, a 1-hectare lagoon by Crystal Lagoons® and a sports academy for golf, tennis, racing and basketball. Western Australia deemed the most desirable location for the country club due to the State's excellent connectivity to Asia and the availability of a suitable location within close proximity to Perth City. Most recently, the Invest and Trade WA Singapore office assisted Ascapia Capital with navigating the required health and environmental approvals for the Crystal Lagoon® and connected the developer with Tourism Western Australia. Construction at the site commenced in early 2022 and Club Moolia is scheduled to be operational in 2023.

## Stemcell United

Stemcell United Limited is a plant-based biotechnology company that is building a food, nutrition, healthcare and personal care business based on plants found in the Asia-Pacific region. The company has its principal operations in Singapore and also operates in Malaysia (research and development collaboration) and China (hemp cultivation licence, seaweed sales and distribution). In Singapore, the company has a research facility embedded at the Singapore Food Agency's Marine Aquaculture Centre. The research being undertaken at this facility focuses on developing the company's commercial cultivation capability of seaweed (*caulerpa lentillifera* or 'sea grape').

Stemcell United is interested in progressing algae and seaweed research, development and production in the West Kimberley region and is looking at sites within the Broome Tropical Aquaculture Precinct to commercially grow seaweed to be used for cosmetics, food (both as a raw food and for the extraction of nutraceuticals to be infused in processed foods) and pharmaceuticals. Broome's tropical waters are ideal for seaweed cultivation, as sea plants grown in tropical waters typically have much higher protein content compared to those grown in cold and temperate waters.



With the support of the Invest and Trade WA Singapore office, Stemcell United has been conducting discussions with the Western Australian Department of Primary Industries and Regional Development regarding the establishment of a seaweed facility in the Broome Tropical Aquaculture Park.



# Western Australian Government support

The Invest and Trade WA Singapore and Indonesia offices have supported Western Australian businesses seeking to access trade and investment opportunities with ASEAN countries since 2012 and 1992 respectively. The Invest and Trade WA Vietnam office also supports Western Australian businesses looking to access trade and investment opportunities in Vietnam.

The Singapore, Indonesia and Vietnam offices have established a strong network of contacts to support Western Australian businesses. This includes close working relationships with Australian embassies and consulates in the ASEAN region.

In 2020-21, Invest and Trade WA moved to a regional hub model. Invest and Trade WA's Singapore, Indonesia and Vietnam offices operate as part of the ASEAN regional hub, providing the following services:

- » Advice on ASEAN markets and specific trade and investment opportunities
- » Advice on market entry strategies
- » Supporting in-market promotion and visits
- » Facilitating introductions to potential customers and partners.

## Invest and Trade WA

Invest and Trade WA promotes Western Australia as a destination for investment, provides a 'one-stop-shop' for incoming trade and investment enquiries and assists Western Australian businesses to develop and expand their export potential.

### Contact:

[investandtrade@jtsi.wa.gov.au](mailto:investandtrade@jtsi.wa.gov.au)

### Web:

[www.investandtrade.wa.gov.au](http://www.investandtrade.wa.gov.au)

View Western Australia's Asian Engagement Strategy 2019-2030

[www.wa.gov.au/asian-engagement-strategy](http://www.wa.gov.au/asian-engagement-strategy)



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