

PRESS STATEMENT: EU-ASEAN BUSINESS COUNCIL MEETS ASEAN FINANCE MINISTERS TO DISCUSS
ROLE OF INSURANCE INDUSTRY IN PROSPERITY AND COMPETITIVENESS

- **The EU-ASEAN Business Council today presented a number of ASEAN Finance Ministers with key recommendations to encourage the development of a strong insurance sector.**
- **The recommendations to facilitate investment, employment, economic growth, social well-being and financial inclusiveness in the region are in line with key objectives of the ASEAN Economic Community (AEC) Blueprint 2025.**
- **The EU and ASEAN continue to share a significant trade and investment relationship: The EU is still the largest source of foreign direct investment in ASEAN and is the second largest trading partner of ASEAN. More than 25 European insurance companies operate in ASEAN, with total assets in excess of US\$80 billion.**
- **As long-term investors, insurance companies are critical to economic growth and AEC's success. As the voice of European business in the region, the EU-ABC looks forward to continuing to work closely with the all of the ASEAN Member States, and in particular the various ASEAN groups tasked at implementing the AEC as well as regulators on the ground.**

Commenting on the EU-ABC's recommendations on Insurance in the paper 'Prosperity, Protection and Partnership: The Role of the Insurance Sector in Driving Sustained Growth in ASEAN' which were presented to the ASEAN Finance Ministers, Mr Chris Humphrey, Executive Director of the EU-ABC said:

"European insurance companies account for approximately 25% of total premiums in ASEAN member states, premiums which are invested in local economies. European insurers play an important role in protecting the people, companies and institutions and infrastructure of ASEAN, and we would like to do more to help the region with its growth objectives and bringing financial inclusiveness to all.

The insurance sector promotes investment flows, social protection and widespread employment. However, current insurance penetration rates in ASEAN remain low at just over three percent, as compared to the global average of six percent. In addition, the mortality protection gap is widening across Asia, growing at a rate of 10% from 2004 to 2014, and standing at an estimated US\$58 trillion for 13 Asian countries (which include the ten ASEAN Member States). It is thus, necessary, to strengthen the insurance sector to promote economic growth, financial inclusion and ultimately, the AEC's success."

Commenting further on the proposals in the Insurance Advocacy paper, Mr. Chris Humphrey, also said:

"With ASEAN expected to remain one of the fastest growing regions in the world, and the EU remaining the largest source of FDI into ASEAN and its second largest trading partner, it is necessary to intentionally foster an environment which encourages continued investment flows into the region. This paper lays out recommendations to build up a stronger insurance sector to facilitate trade and investment, increase protection and contribute to the prosperity of the ASEAN region.

We hope that the ASEAN Finance Ministers will recognise the importance of our recommendations for ASEAN's economic growth and will involve European insurance companies in the development of the insurance industry in the ASEAN region."

END.

1. EU-ASEAN Trade and Investment Relationship

The commercial, trade and investment relationship between the European Union and ASEAN is strong and growing. The EU is the largest economy in the world, and is ASEAN's largest source of foreign direct investment. The EU is also ASEAN's second largest trading partner, after China.

2. About the EU-ASEAN Business Council

The EU-ASEAN Business Council (EU-ABC) is the primary voice for European business within the ASEAN region.

It is recognised by the European Commission and by the ASEAN Secretariat. Independent of both bodies, the Council has been established to help promote the interests of European businesses operating within ASEAN and to advocate for changes in policies and regulations which would help promote trade and investment between Europe and the ASEAN region. As such, the Council works on a sectorial and cross-industry basis to help improve the investment and trading conditions for European Businesses in the ASEAN region through influencing policy and decision makers throughout the region and in the EU, as well as acting as a platform for the exchange of information and ideas amongst its members and regional players within the ASEAN region.

The EU-ABC's membership consists of large European Multi-National Corporations and the eight European Chambers of Commerce from around South East Asia. As such, the EU-ABC represents a diverse range of European industries cutting across almost every commercial sphere from car manufacturing through to financial services and including Fast Moving Consumer Goods and high-end electronics and communications. Our members all have a vested interest in enhancing trade, commerce and investment between Europe and ASEAN.

The Executive Director of the EU-ASEAN Business Council is Mr Chris Humphrey, and its Chairman is Mr Donald Kanak. The Council is led by an elected Board consisting of corporate leaders representing a range of important industry sectors and representatives of the European Chambers of Commerce.

3. EU-ABC Recommendations to the ASEAN Finance Ministers:

Issue	Recommendation
Shareholding	Harmonised rules for full range of ownership models in the insurance sector (currently six of 10 Member States allow this).
Data	A global harmonised approach to cross-border data transfers and the right for international group companies to transfer data overseas within the same corporate group if they have adopted internal rules/a global policy similar to EU-Law to protect customers.
Disaster Risk Finance	Establish a well-functioning insurance market and promote the use of public-private partnerships (PPP) as a means to reduce losses from natural disasters.
Long-Term Investments	Remove regulatory and other barriers to long-term investment by insurance companies. Build a defined infrastructure asset class by facilitating standardisation in documentation and reporting as well as a holistic regulatory treatment to encourage more infrastructure investment by insurers.
Investment-Linked Products	Promote the development of products to achieve the investment needs of our customers in the low interest rate environment.