

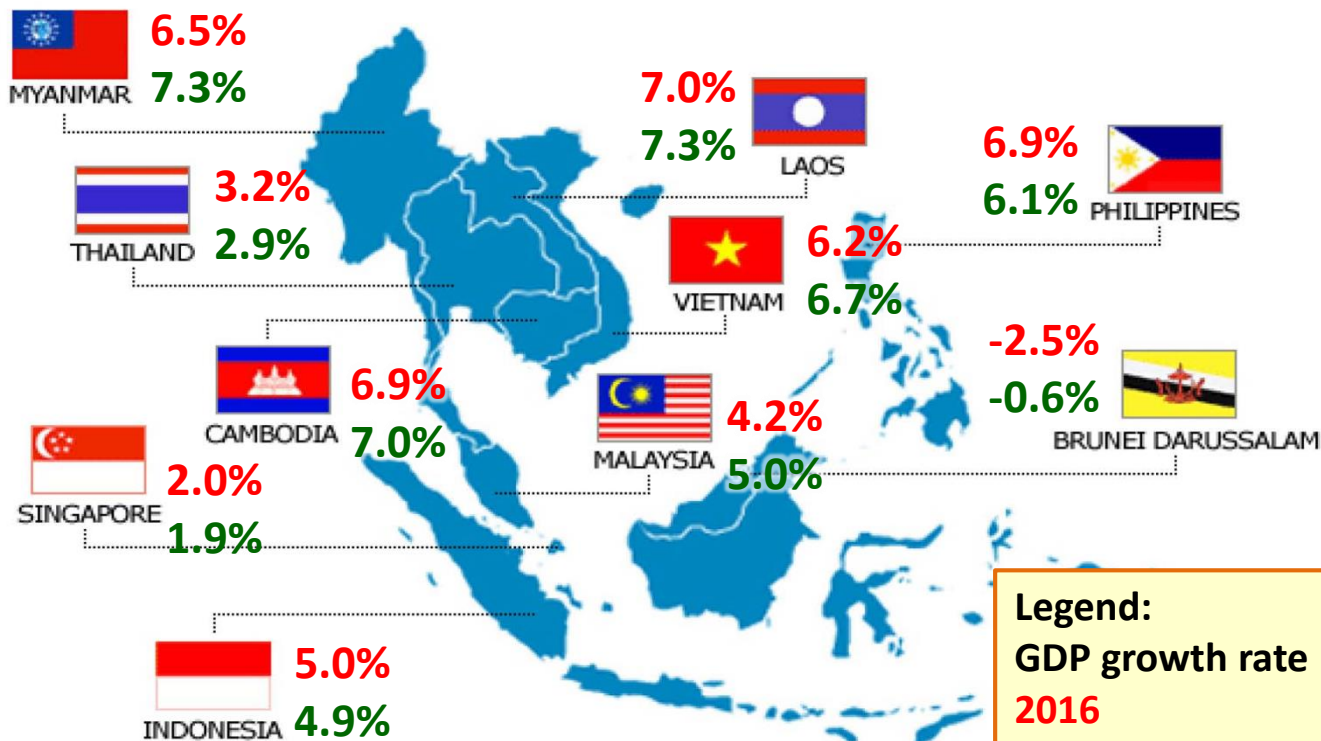
ASEAN-India: Partners for an Inclusive Agribusiness



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The ASEAN Economic Community & India

Free trade + effective policies =
promise of inclusive growth and development



Legend:
GDP growth rate
2016
2015

(Source: World Bank)

The ASEAN region collectively has about:

625 M
population

69 M ha
arable agriculture

44 M ha
semi-permanent
crops

India has about:

1.3 B
population

157 M ha
arable agriculture

Global Competitiveness Index (2017-2018)

Ranking (1-137)	Score (1-7)	Country
3	5.71	Singapore
23	5.17	Malaysia
32	4.72	Thailand
36	4.68	Indonesia
40	4.59	India
46	4.52	Brunei
55	4.36	Vietnam
56	4.35	Philippines
94	3.93	Cambodia

Source: World Economic Forum

FDI net inflows in ASEAN from

partners Country/Region	Value (USD million)		Share to total net inflows (%)		Year-on-year change (%)
	2014	2015	2014	2015	2014-2015
ASEAN	22,134.5	22,232.2	17.0	18.4	0.4
Australia	6,281.5	5,246.7	4.8	4.3	(16.5)
Canada	1,679.0	898.1	1.3	0.7	(46.5)
China	6,990.1	8,256.5	5.4	6.8	18.1
European Union 28 (EU28)	24,989.9	20,127.6	19.2	16.7	(19.5)
India	605.9	1,584.1	0.5	1.3	161.4
Japan	15,705.4	17,559.4	12.1	14.5	11.8
New Zealand	550.0	2,241.2	0.4	1.9	307.5
Pakistan	6.2	(10.5)	0.0	0.0	(269.6)
Republic of Korea	5,750.7	5,710.4	4.4	4.7	(0.7)
Russian Federation	(113.2)	(28.9)	(0.1)	0.0	74.5
USA	14,748.5	13,646.0	11.3	11.3	(7.5)
Total selected partner countries/regions	99,328.4	97,462.8	76.4	80.7	(1.9)
Others	30,666.6	23,356.0	23.6	19.3	(23.8)
Total FDI inflow to ASEAN	129,995.1	120,818.8	100	100	(7.1)

FDI – Foreign Direct Investment

Source: ASEAN website

India's Top Export Trading Partners in ASEAN

(2014--2015)

Ranking (1-100)	Country	Values in US\$ Million	% Share
5	Singapore	9,809.36	3.16
15	Vietnam	6,257.88	2.02
20	Indonesia	4,043.32	1.30
24	Malaysia	5,816.55	1.88
27	Thailand	3,464.83	1.12
42	Philippines*	1,395.58	0.45
55	Myanmar	773.24	0.25

Source: Infodrive India

*Products include: meat of bovine animals (frozen), motorcycles, medicaments, motor cars and other motor vehicles, new pneumatic tires, groundnuts, petroleum oils and oils obtained from bituminous minerals, unmanufactured tobacco, cotton yarn, wheat and meslin

India's Top Import Trading Partners

in ASEAN

(2014--2015)

Ranking (1-100)	Country	Values in US\$ Million	% Share
9	Indonesia	15,004.64	3.35
18	Malaysia	11,117.74	2.48
20	Singapore	7,124.47	1.59
24	Thailand	5,865.88	1.31
36	Vietnam	3,003.35	0.67
43	Myanmar	1,231.54	0.27
53	Brunei	840.88	0.19
72	Philippines*	423.04	0.09

Source: Infodrive India

*Products include: electronic integrated circuits, parts and accessories of the motor vehicles, printing machinery, palm oil and its fractions, monitors and projectors, automatic data processing machines and units, telephone sets, optical fibers, new pneumatic tires, diodes, transistors and similar semi-conductor devices

India-ASEAN projects in agriculture

Projects in the field of **Agriculture:**

- Exchange of Farmers
- ASEAN-India Fellowships for Higher Agricultural Education
- Exchange of Agriculture Scientists
- Empowerment of ASEAN-Indian Women through Cooperatives, etc.






Projects in the field of **S&T:**

- Collaborative Project on S&T for Combating Malaria
- Programme on Quality Systems in Manufacturing
- Collaborative R&D Project on Mariculture, Bio-mining and Bioremediation Technologies, etc.



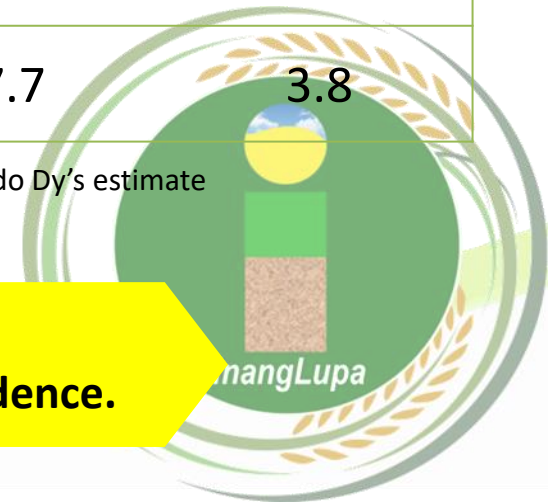
Agribusiness & competitiveness can reduce poverty

Poverty Incidence (% Headcount) At National Poverty Line

	Indonesia	Malaysia	Philippines	Thailand	Vietnam
					
Total	11.3	0.6	21.6	10.5	13.5
Rural	14.2	1.6	30.0	13.9	18.6
Urban	8.3	0.3	11.3	7.7	3.8

Note: Philippines 2015; Others 2014; Thailand rural and urban, 2013, Philippine urban, Dr Rolando Dy's estimate
Source: World Bank, PSA

ASEAN countries that have a productive farming sector and a thriving agro-industrial complex have lower poverty incidence.



Agribusiness creates more emp opportunities

Employment in Agriculture (% share on the total workforce)



Source: CIA






ASEAN countries that are shifting from production-based farming to agribusiness, creates more job opportunities both on farm and non-farm activities.



ASEAN countries that have a developed export market

earns more

World-ASEAN Agri-food Trade 2016 (\$Billion)






	Indonesia	Malaysia	Philippines	Thailand	Vietnam
					
Exports	36.5	26.7	5.1	42.2	23.1 (a)
Imports	17.9	17.4	11.0	15.7	14.5 (a)
Balance	18.6	9.3	(5.9)	26.5	8.6 (a)
Agri Export Scorecard 2016 (Products/year by earning class - HS 4 digit)					
Over \$1B	5	2	2	13	7
> \$500M - < \$1B	5	5	0	4	2

Note: (a) 2015

Source: UN Trademap (HS 01-24 and HS 40); UA&P Analytics

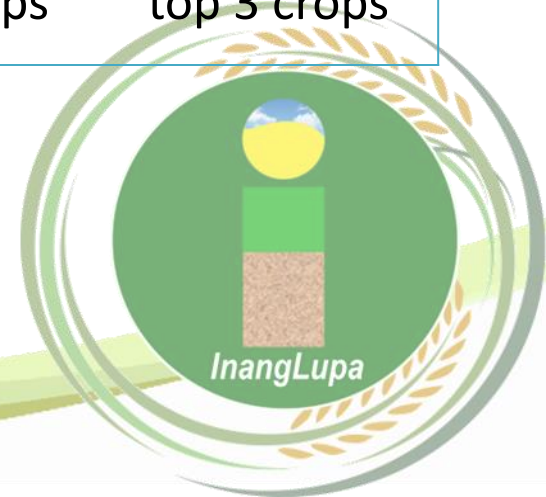
Crop-diversified countries are more profitable

Account of top crops in the total agri area (%)

Indonesia	Malaysia	Philippines	Thailand	Vietnam
				
67	-	80	88	79
top 3 crops	-	top 3 crops	top 5 crops	top 3 crops

Source: Dr Rolando Dy, UA&P

Indonesia, Thailand, and Vietnam have well-diversified agri-commodities giving them more products to process/manufacture and export.



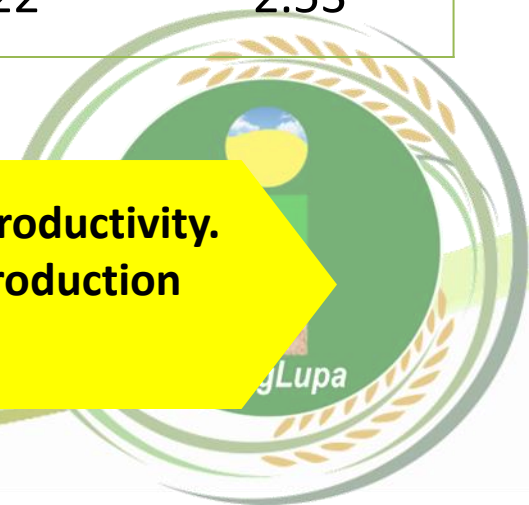
ASEAN total factor productivity

Growth rate per year, 2001-2013 (%)

	Indonesia	Malaysia	Philippines	Thailand	Vietnam
Output	4.35	3.26	2.62	2.69	4.21
Input	1.70	0.42	0.75	0.47	1.68
TFP	2.65	2.85	1.87	2.22	2.53

Source: USDA

TFP is the most informative measure of long-term agricultural productivity. TFP covers land, labor, capital, and material resources used in production and compared to total crop and livestock output -USDA



Accelerate the modernization & agro-industrialization of Philippine agriculture

The major objectives of a modernized & industrialized Philippine agriculture are:

Productive | Competitive | Sustainable

Country's agriculture sector must be anchored on an **entrepreneurial ecosystem.**

The agriculture framework must be:

- **Inclusive**
- **Science-based**
- **Resilient**
- **Market-oriented**



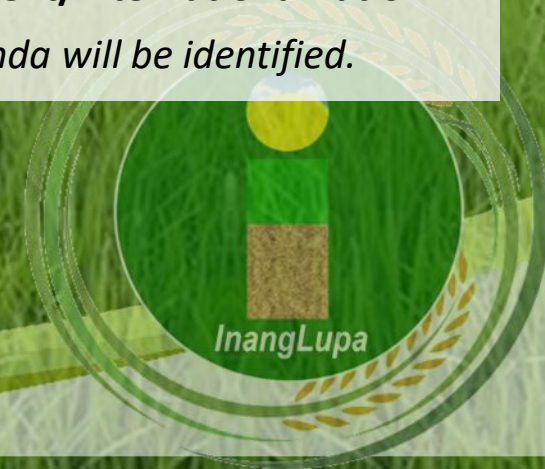
Develop & institutionalize an 'Entrepreneurial Ecosystem in Agriculture'

The ecosystem for agripreneurship should have the following components:

- **Research. Development, Extension**
- **Education (basic, post-secondary, tertiary)**
- **Technology transfer and Commercialization**
- **Affordable and accessible financing**
- **Regulation and policies**
- **Business incubation and Mentoring Services**
- **Market development/Internationalization**

Note: Legislative agenda will be identified.

Private sector leads
in value chain
development.

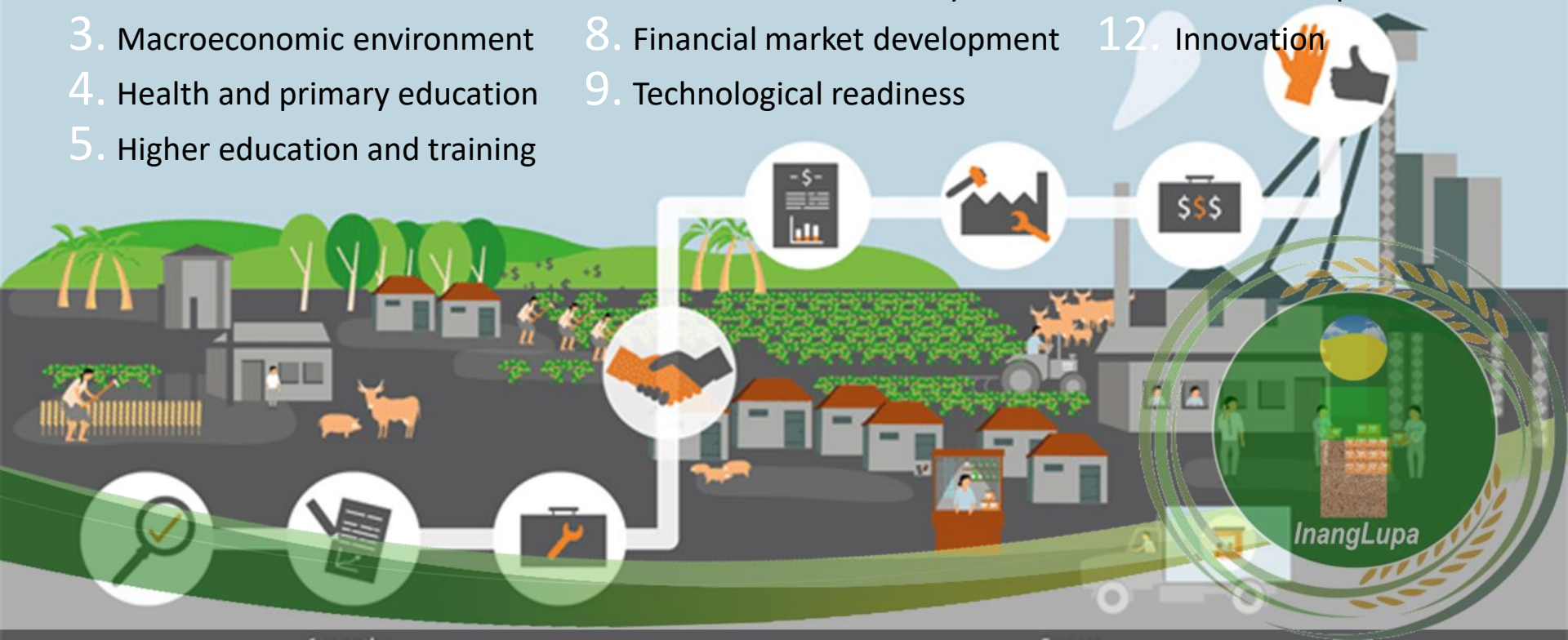


Strengthen more MSMEs in agriculture to become globally competitive

Presently at 1% of MSMEs

• To make MSMEs competitive, we must consider the parameters of Global Competitiveness Index:

1. Institutions
2. Infrastructure
3. Macroeconomic environment
4. Health and primary education
5. Higher education and training
6. Goods market efficiency
7. Labor market efficiency
8. Financial market development
9. Technological readiness
10. Market size
11. Business sophistication
12. Innovation



Establish more agri-based rural industries



Formula for inclusive growth through agripreneurship:

Production
Farm level

Manufacturing/Processing
Agro-industrial firms & cooperatives

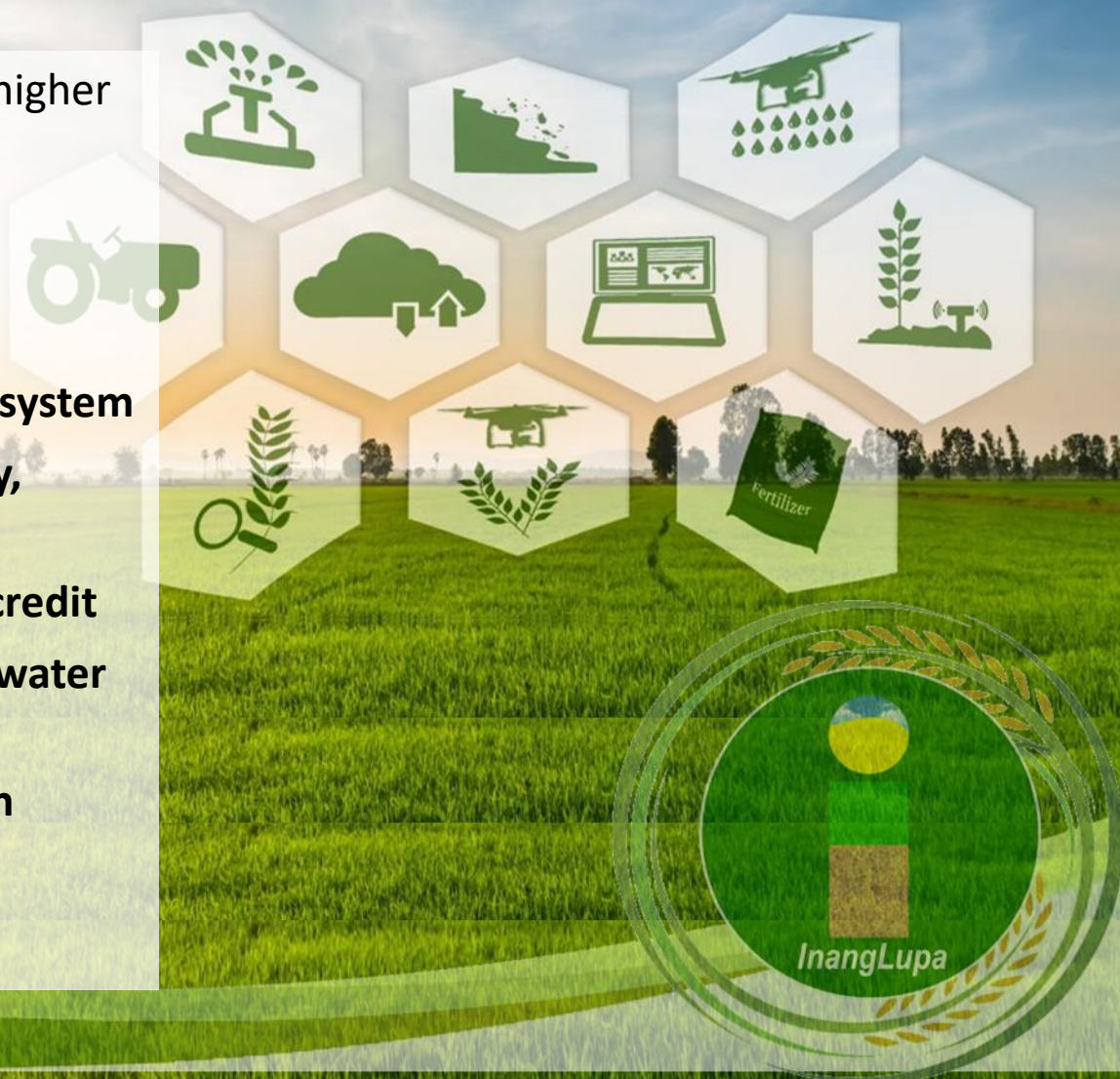
Market
Both local & export

InangLupa

Increase the investments for agriculture, agribusiness & support services

For smallholder farmers to achieve higher productivity, competitiveness, and sustainability the government must increase investments on:

- **R&D and innovation**
- **Extension, training and delivery system**
- **Education (basic, post-secondary, tertiary)**
- **Affordable and accessible rural credit**
- **Irrigation development and rainwater catchments**
- **Market development/promotion**
- **Farm mechanization**
- **ICT and Connectivity**



Support cooperative research & knowledge sharing in ASEAN



To benefit more smallholder farmers, there should be synergy and convergence among government agencies, private sector and non-government organizations thru research and knowledge sharing.



Improve the ease of doing business in ASEAN

The government must improve the ease of doing business, provide attractive fiscal and non-fiscal incentives for MSMEs to encourage more entrepreneur to venture in agribusinesses.



Harmonize the non-tariff barriers in the ASEAN economic community

ASEAN countries must review and harmonize their non-tariffs barriers specifically in biosafety, GAP, GAHP, Halal certification, sanitary & phyto-sanitary standards (SPS), and HACCP compliance for smoother flow of trade.



Organize the ASEAN Agripreneur Mentors Network



A regional ASEAN network must be organized to reach and encourage more entrepreneurs, especially the youth to engage in agri-preneurship and establish international partnerships.





Thank you!

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