

# ASEAN MATTERS FOR AMERICA MATTERS FOR ASEAN



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EAST-WEST CENTER



**US-ASEAN**  
BUSINESS COUNCIL, INC.



**YUSOF ISHAK**  
INSTITUTE

The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.

For over 35 years, the **US-ASEAN Business Council** has been the premier advocacy organization for US corporations operating within the dynamic Association of Southeast Asian Nations (ASEAN), representing over 160 major companies. The Council's membership generates over \$6 trillion in revenue and employs more than 13 million people globally. Members include the largest US companies conducting business in ASEAN, and range from newcomers to the region to companies that have been working in Southeast Asia for over 100 years. The Council has offices in: Washington, DC; New York, NY; Bangkok, Thailand; Hanoi, Vietnam; Jakarta, Indonesia; Kuala Lumpur, Malaysia; Manila, Philippines; and Singapore.

The **ISEAS - Yusof Ishak Institute** (formerly Institute of Southeast Asian Studies) is an autonomous organization established in 1968. It is a regional centre dedicated to the study of socio-political, security, and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment. The Institute's research programmes are grouped under Regional Economic Studies (RES), Regional Strategic and Political Studies (RSPS), and Regional Social and Cultural Studies (RSCS). The Institute is also home to the ASEAN Studies Centre (ASC), the Nalanda-Sriwijaya Centre (NSC) and the Singapore APEC Study Centre.

## ASEAN MATTERS FOR AMERICA/ AMERICA MATTERS FOR ASEAN

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

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

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## Highlights

### ASEAN IN PROFILE

**With 650 Million People, the Association of Southeast Asian Nations (ASEAN) has the World's 3<sup>rd</sup> Largest Population and a GDP of \$2.8 Trillion**

By combining their collective efforts and influence, ASEAN member states have been able to help shape Indo-Pacific economic, political, and security trends and discussions.

### ASEAN ECONOMY

**ASEAN is Currently the 3<sup>rd</sup> Largest Economy in the Indo-Pacific and the 5<sup>th</sup> Largest in the World**

ASEAN is the 3<sup>rd</sup> fastest-growing major Indo-Pacific economy in the past decade, after China and India. As a critical hub for global trade, over \$3.4 trillion in global trade transits through the ASEAN region each year.

### ASEAN GROWTH PROJECTIONS

**ASEAN's Economy is Projected to Grow by over 5.5% per Year and Become the 4<sup>th</sup> Largest Economy in the World by 2050**

This projected growth is supported by favorable demographics. Over 380 million people are under age 35 in ASEAN (58% of the population), roughly 20% larger than the entire population of the United States. The middle class in ASEAN is expected to more than double in size to 334 million by 2030.

### THE UNITED STATES AND ASEAN STRATEGIC PARTNERSHIP

**ASEAN Member States are Key Diplomatic, Economic, and Security Partners for the United States**

The United States and ASEAN elevated their relationship into a strategic partnership in 2015, and in 2017 celebrated 40 years as dialogue partners. The United States participates in the ASEAN-led East Asia Summit (EAS), ASEAN Regional Forum (ARF), ASEAN Defense Ministers Meeting-Plus (ADMM-Plus), and consultations during the ASEAN Economic Ministers (AEM) Meetings.

### TRADE

**Annual United States Exports in Goods and Services to ASEAN Total over \$105 Billion**

ASEAN as a whole ranks 4<sup>th</sup> after Canada, Mexico, and China as a goods export market for the United States, and the United States is the 4<sup>th</sup> largest trading partner for ASEAN. US exports to ASEAN are up almost 60% and total trade has increased almost 30% over the past decade.

### AGRICULTURE

**ASEAN is a Top Five Destination for US Food and Agricultural Exports**

ASEAN is 4<sup>th</sup> largest global importer of US agricultural goods, and the 2<sup>nd</sup> largest importer of US agricultural products in the Indo-Pacific after China.

## Highlights

### JOBS

**All 50 US States Export to ASEAN, Supporting over Half a Million US Jobs**

In four US states – Wyoming, Oregon, Idaho, and Maine – ASEAN accounts for more than 20% of export-dependent jobs to the Indo-Pacific, and trade with ASEAN creates over a quarter of a million combined jobs in California, Texas, Washington, New York, and Illinois.

### INVESTMENT

**ASEAN is the Number One Destination for US Investment in the Indo-Pacific**

To date ASEAN has received almost \$329 billion in investment from the United States, more than the United States has directed to China, India, Japan, and South Korea combined.

### INFRASTRUCTURE

**ASEAN has Over \$2 Trillion Worth of Infrastructure Investment Opportunities**

Investment in road, rail, port, airport, power, water, and telecommunications infrastructure across ASEAN is needed to achieve projected high levels of economic growth.

### DIGITAL ECONOMY

**ASEAN's Digital Economy is Projected to Exceed \$240 Billion by 2025**

With 914 million active mobile connections, almost 1.5 times its population, ASEAN is the world's fastest-growing internet market.

### TRAVEL AND TOURISM

**ASEAN Visitors add \$5 Billion to the US Economy Annually**

Nearly 1.2 million people from ASEAN member states visit the United States, and over 4 million Americans visit ASEAN.

### EDUCATIONAL EXCHANGE

**ASEAN Students Contribute over \$2 Billion to the US Economy**

Almost 60,000 students from ASEAN study in the United States, and nearly 7,000 US students study in ASEAN member states.

### ASEAN AMERICAN POPULATION

**35% of 21 Million Asian Americans Identify with an ASEAN Ethnicity**

Over 7 million Americans identify with an ASEAN ethnicity – Filipino and Vietnamese are the largest groups, with populations of 3.9 million and 2 million respectively. The Philippines and Vietnam are among the top five recipients of remittances from the United States after Mexico, China, and India.

### SISTER PARTNERSHIPS

**91 Sister Relationships Between the United States and ASEAN Build People-to-People and Commercial Connections**

Seven ASEAN member states link to 22 US states through 68 sister cities and 23 sister state or sister county connections.

# With 650 Million People, the Association of Southeast Asian Nations (ASEAN) has the 3<sup>rd</sup> Largest Population in the World and a GDP of \$2.8 Trillion

The Association of Southeast Asian Nations (ASEAN) is a 10-member regional bloc with a combined GDP of \$2.8 trillion, a population of 650 million, and a land mass covering more than 1.7 million square miles (larger than the land area of India). Founded in 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand, ASEAN has since expanded to include Brunei, Cambodia, Laos, Myanmar, and Vietnam. ASEAN's community-building effort comprises three pillars: the Political-Security Community; Economic Community; and Socio-Cultural Community. ASEAN holds semiannual ASEAN Summits and numerous ministerial and working-level meetings in support of its community-building objectives.

ASEAN seeks to promote economic growth and regional stability among its members through consultation, consensus, and cooperation based on the Treaty of Amity and Cooperation (TAC) to which 35 countries and the European Union (EU) have acceded. By combining their efforts and influence, ASEAN member states have been able to help shape Indo-Pacific economic, political, and security trends and discussions by convening key Indo-Pacific countries to discuss political and security issues at an annual East Asia Summit (EAS) and other fora.

<b>ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN)</b> ASEAN Secretariat: Jakarta, Indonesia Population: 650 million Chair rotates annually among member states. The ASEAN Community was realized on December 31, 2015.		 ASEAN.org	
<b>BRUNEI</b> Capital: Bandar Seri Begawan Population: 434 thousand Member Since: 1984 US-Brunei treaty relations have been active since 1850.		<b>INDONESIA</b> Capital: Jakarta Population: 265.3 million Member Since: 1967 Indonesia, the world's 4 <sup>th</sup> most populous country, and the United States upgraded their relations to a "strategic partnership" in 2015.	
<b>CAMBODIA</b> Capital: Phnom Penh Population: 16.3 million Member Since: 1999 The United States is the largest purchaser of Cambodia's exports, including over \$2 billion in apparel.		<b>LAOS</b> Capital: Vientiane Population: 6.7 million Member Since: 1997 In 2016, then President Barack Obama became the first sitting US President to visit Laos.	

Source Population: International Monetary Fund (IMF) World Economic Outlook, 2018 data. Additional Sources: World Bank, Organization for Economic Cooperation and Development (OECD), CIA World Fact Book, US Department of State

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



<b>MALAYSIA</b> Capital: Kuala Lumpur Population: 32.4 million Member Since: 1967 Malaysia is the United States' 2 <sup>nd</sup> largest trading partner in ASEAN.		<b>SINGAPORE</b> Capital: Singapore Population: 5.6 million Member Since: 1967 Singapore was the first US bilateral free trade partner in the Indo-Pacific and in 2015 the two countries signed an enhanced Defense Cooperation Agreement.	
<b>MYANMAR</b> Capital: Nay Pyi Taw Population: 52.8 million Member Since: 1997 The United States restored full diplomatic relations with Myanmar in 2012 and removed all sanctions in 2016.		<b>THAILAND</b> Capital: Bangkok Population: 69.1 million Member Since: 1967 Thailand is the oldest US treaty partner in the Indo-Pacific, dating from 1833.	
<b>PHILIPPINES</b> Capital: Manila Population: 107 million Member Since: 1967 The largest Filipino diaspora is in the United States and remittances from the United States to the Philippines are valued at \$11 billion.		<b>VIETNAM</b> Capital: Hanoi Population: 94.6 million Member Since: 1995 Since 1995, US trade with Vietnam grew 230-fold to \$58 billion. US-Vietnam security cooperation has enhanced steadily including high-level defense visits, military sales, and exchanges.	

Numbers rounded throughout publication. All monetary values are in US\$ unless otherwise noted. References to the European Union (EU) includes all 28 member states as of 2018. Whenever possible, most recent available data is used. For the most up-to-date data please visit [AsiaMattersForAmerica.org/ASEAN](http://AsiaMattersForAmerica.org/ASEAN)

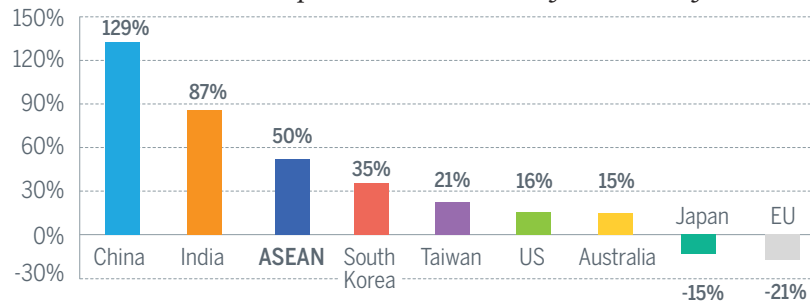
# ASEAN is Currently the 3<sup>rd</sup> Largest Economy in the Indo-Pacific and the 5<sup>th</sup> Largest in the World

The ASEAN Economic Community (AEC), formed in 2015, has a combined GDP of \$2.8 trillion, and is also the 3<sup>rd</sup> fastest-growing major Indo-Pacific economy in the past decade, after China and India. As a critical hub for global trade, over \$3.4 trillion in global trade transits through the ASEAN region each year.

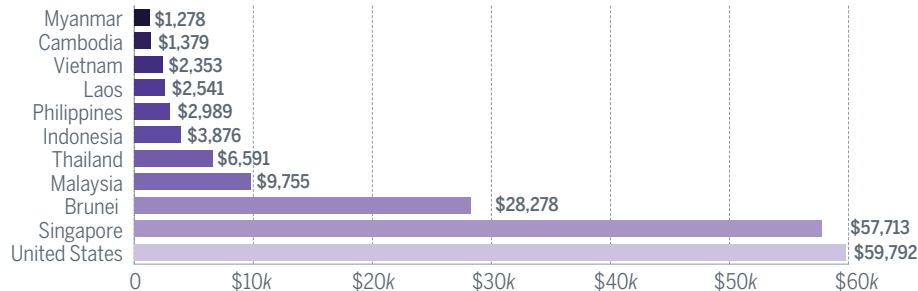
The AEC seeks to reduce or remove trade barriers to facilitate the free movement of goods, services, capital, and skilled labor within the region. A single customs window, known as the ASEAN Single Window, is near completion with support from the United States, while regional agreements to facilitate the movement of ASEAN member states' nationals are also being developed. ASEAN currently has five regional free trade agreements (FTAs) with Australia and New Zealand, China, Japan, South Korea, and India. Singapore is the only ASEAN member state to conclude FTAs with both the United States and EU.

## REAL GDP GROWTH\*

ASEAN's GDP compared to other Indo-Pacific economies from 2008 to 2017

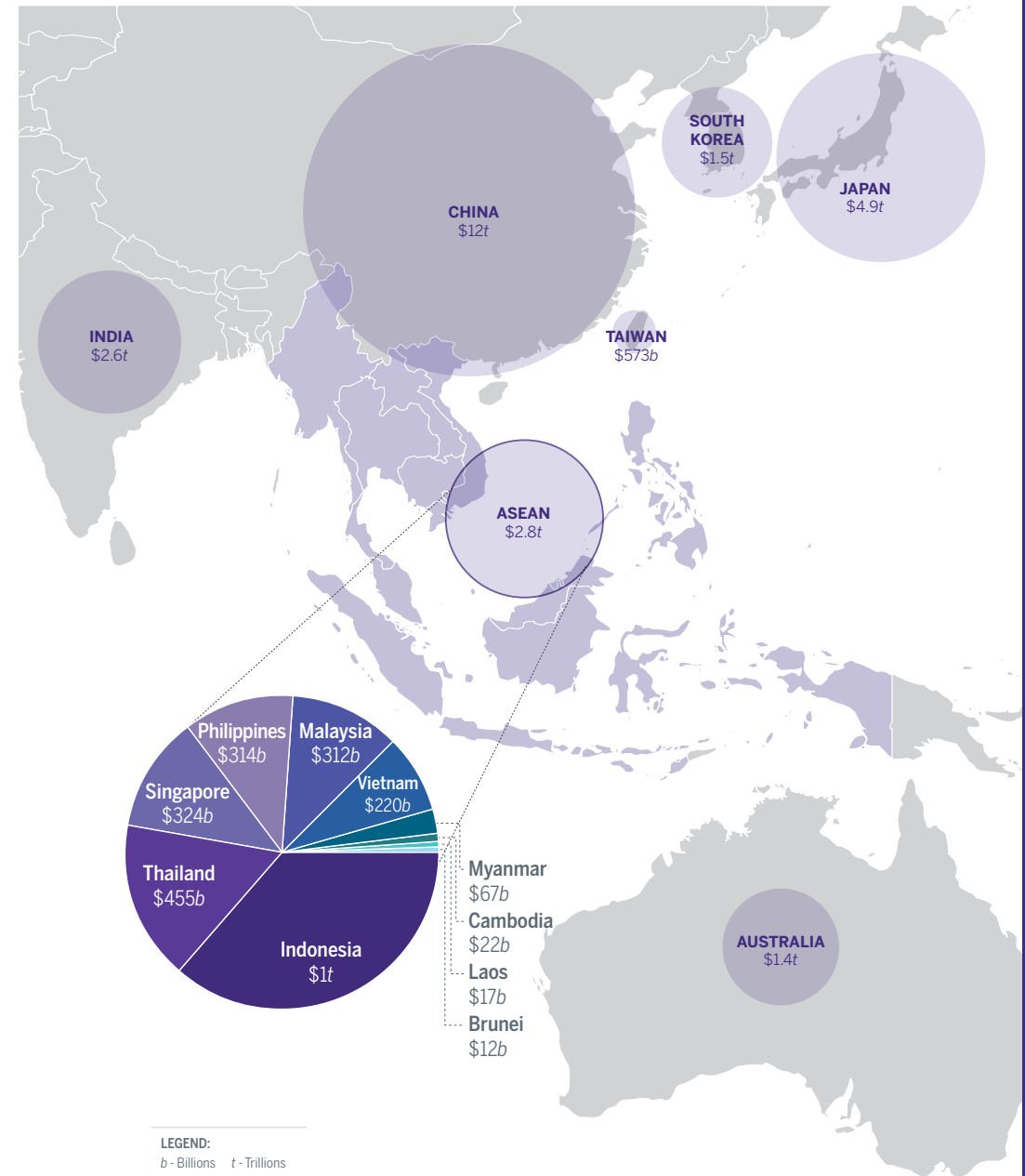


## PER CAPITA GDP



\*Real GDP growth was calculated in constant US\$ using World Bank methodology. For further information on our methodology please visit [AsiaMattersforAmerica.org/sources-and-methodology](http://AsiaMattersforAmerica.org/sources-and-methodology)  
 NOTE: Global GDP rankings include the EU as a single entity  
 Source: International Monetary Fund World Economic Outlook (October 2018), 2017 data

## GDP COMPARISONS



LEGEND:  
 b - Billions t - Trillions

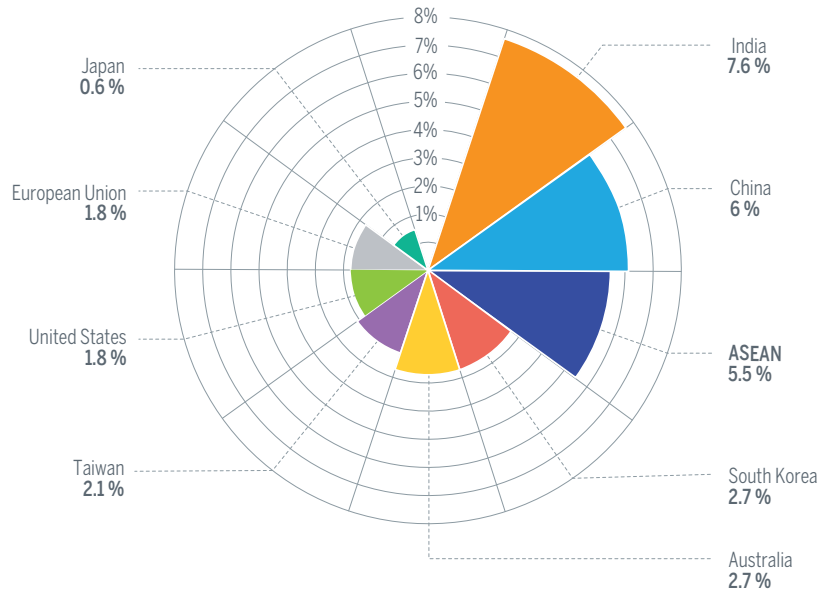
# ASEAN's Economy is Projected to Grow by over 5.5% per Year and Become the 4<sup>th</sup> Largest Economy in the World by 2050

With a projected annual growth rate of over 5.5% per year, ASEAN is forecast to overtake the EU and Japan to become the 4<sup>th</sup> largest economy in the world by 2050, behind China, India, and the United States.

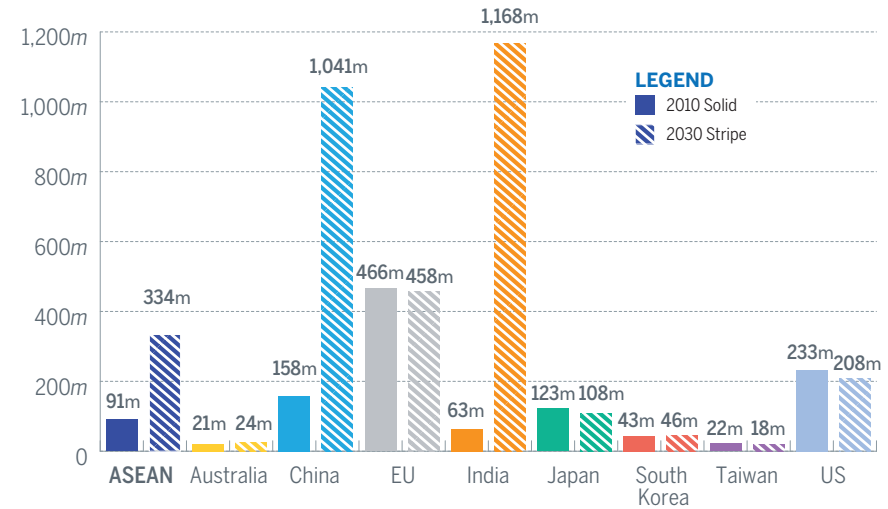
This projected growth is supported by favorable demographics. Over 380 million people are under age 35 in ASEAN (58% of the population), roughly 20% larger than the entire population of the United States. ASEAN also has the world's 3<sup>rd</sup> largest labor force, trailing only China and India. ASEAN's middle class\* is expected to more than double in size from 135 million (24% of ASEAN's population) to 334 million (51% of the population) by 2030. Sustainable urbanization is a key part of this demographic growth, and it is estimated that nearly 70% of ASEAN's population will live in urban areas by 2050.

## PROJECTED ANNUAL GDP GROWTH RATE

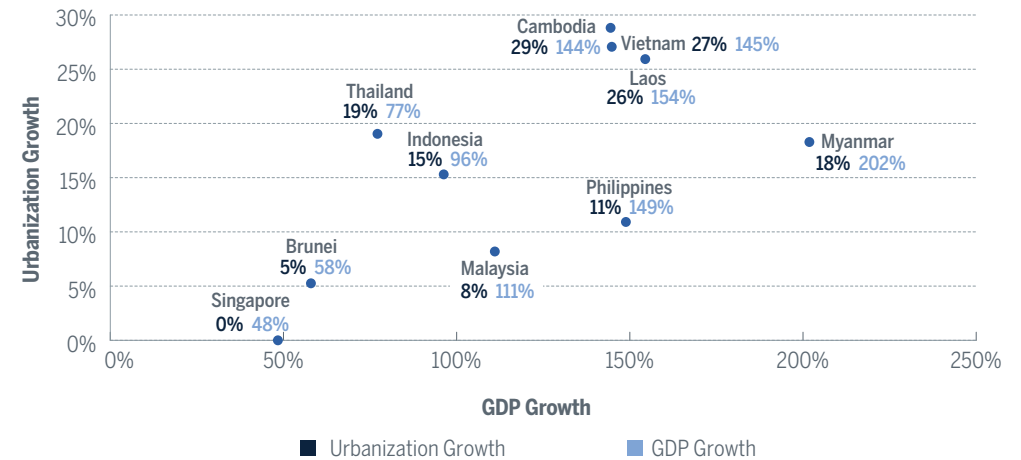
Average annual GDP growth (%)



## GLOBAL MIDDLE CLASS\*



## PROJECTED GDP AND URBANIZATION GROWTH



\*Middle class is defined as those households with daily expenditures between US\$10 and US\$100 per person in purchasing power parity terms.  
 Source Projected GDP Growth: International Monetary Fund (IMF), 2017-2023  
 Source Middle Class: Homi Kharas, "The Emerging Middle Class in Developing Countries," OECD Working Papers, No. 285  
 Source GDP and Urbanization Growth: International Monetary Fund and UN World Urbanization Prospectus, 2019-2033 data  
 Additional Sources: PwC, International Labor Organization, World Bank

## ASEAN Member States are Key Diplomatic, Economic, and Security Partners for the United States

The US-ASEAN relationship began in 1977 and has since expanded significantly. The United States signed the Treaty of Amity and Cooperation (TAC) in 2009 and was the first non-ASEAN country to establish a resident ambassador and permanent mission to the organization. The United States joined the East Asia Summit (EAS) in 2011, and began to hold annual ASEAN-US Summits in 2012. In 2015, the US-ASEAN relationship was raised to a strategic partnership, and in 2016 the first leader-level US-ASEAN Summit in the United States was held at Sunnylands in Rancho Mirage, California. In 2017, the United States and ASEAN celebrated 40 years as dialogue partners.

The United States and ASEAN coordinate on efforts ranging from maritime security and counter-terrorism to disaster management, governance, anti-trafficking, and nuclear non-proliferation. The United States and ASEAN discuss and coordinate security activities through the ASEAN Regional Forum (ARF) and ASEAN Defense Ministers Meeting-Plus (ADMM-Plus). Economic ties were formalized with the US-ASEAN Trade and Investment Framework Agreement (TIFA) in 2006. The US Trade Representative (USTR) also participates in annual consultations during the ASEAN Economic Ministers (AEM) Meetings. The US-Singapore Free Trade Agreement, which went into force in 2004, was America's first FTA in the Indo-Pacific.

The US-ASEAN Connect framework is a strategic economic initiative organized around four pillars: business, energy, innovation, and policy. Its goal is to support regional integration efforts of the ASEAN Economic Community (AEC) and build upon the positive economic ties between the United States and ASEAN.

The United States is also working with ASEAN member states on maritime security and domain awareness through the Indo-Pacific Maritime Security Initiative that provides both training, equipment, and cooperative activities. The United States has also helped provide access to clean drinking water to over 5.6 million people, and grants from the US Agency for International Development (USAID) have protected 64 million acres of forest lands and coastal areas – an area roughly the size of Oregon.

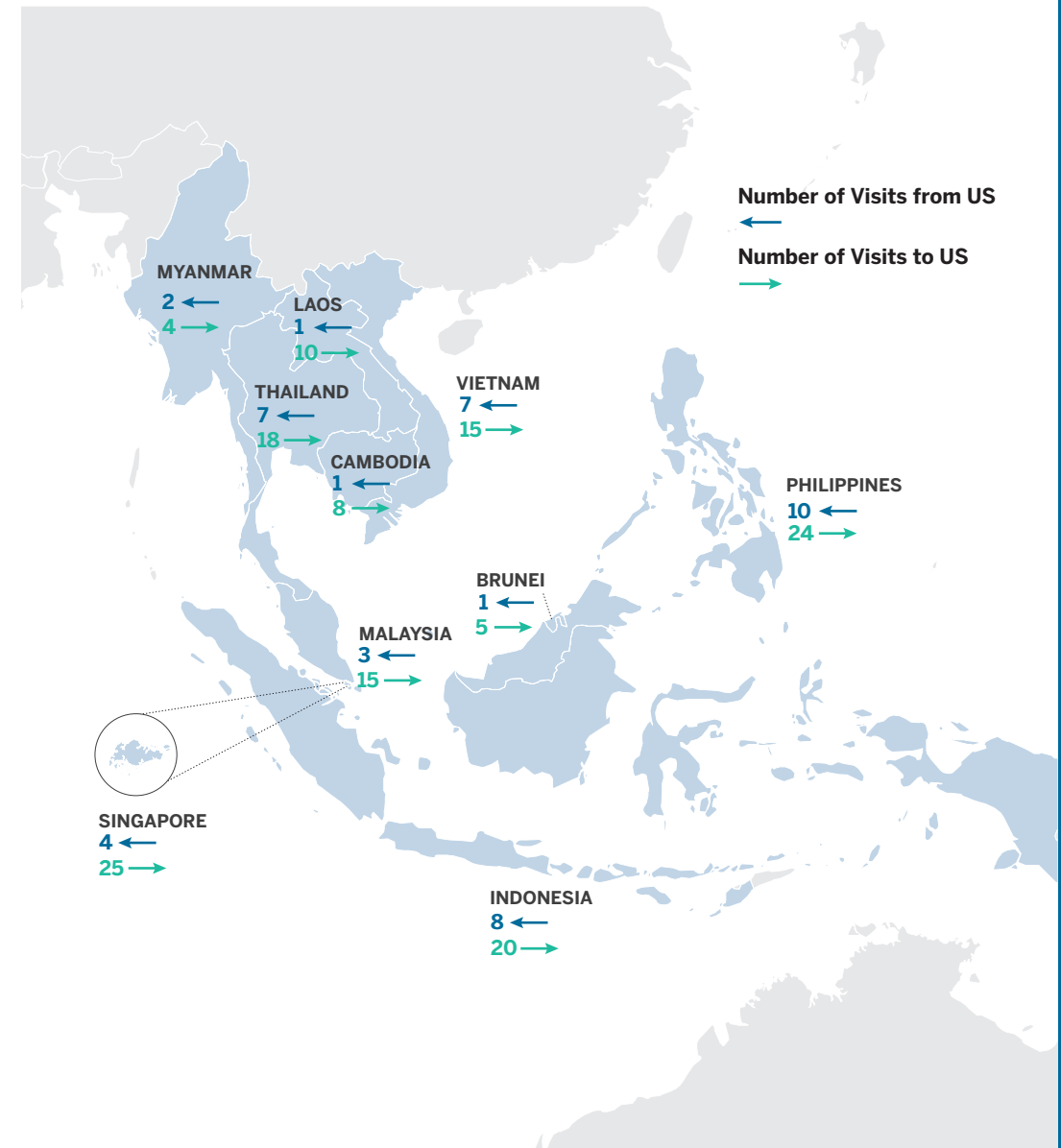


Vice President Mike Pence with the heads of the 10 ASEAN member states at the ASEAN-US Summit in Singapore

Photo: ASEAN Secretariat

## HEADS OF STATE VISITS\*

Total number of Official Visits by ASEAN leaders to the United States and return visits by US presidents



\*Only officially recognized heads of state/government are counted.  
Source Heads of State Map: US Department of State, Office of the Historian  
Additional Sources: US Department of State, US Mission to ASEAN

## SECURITY COOPERATION

ASEAN is positioned as a critical geographic position straddling the sea lanes between the Indian Ocean to the west and the Pacific Ocean to the east. With over \$3.4 trillion in trade passing through the disputed waters of the South China Sea each year, including \$208 billion in US trade, maritime security is a priority for both the United States and ASEAN. The United States has supported regional efforts to increase security and awareness through trainings, workshops, and consultations within the frameworks of the ASEAN Regional Forum (ARF), the Expanded ASEAN Maritime Forum (EAMF), and the ASEAN Defense Ministers Meeting-Plus (ADMM-Plus). The US government has worked to increase maritime security capacity in ASEAN through the Southeast Asia Maritime Law Enforcement Initiative and the Indo-Pacific Maritime Security Initiative.

## MAJOR MILITARY EXERCISES

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



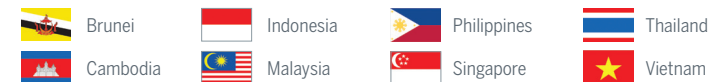
Sources Military Exercises: US Indo-Pacific Command, US Navy; US Army, Pacific; US Marine Corps Forces, Pacific  
 Source Humanitarian Assistance and Disaster Relief: US Agency for International Development (USAID), Office of Foreign Disaster Assistance, FY2007-2017 data  
 Additional Sources: Heritage Foundation, Index of US Military Strength

The US military participates in multilateral and bilateral military exercises with eight ASEAN member states. As ASEAN is vulnerable to natural disasters such as typhoons, earthquakes, and tsunami, the US military has contributed to Humanitarian Assistance and Disaster Relief (HADR) missions in the region, with support from across the US government as well as the private sector.

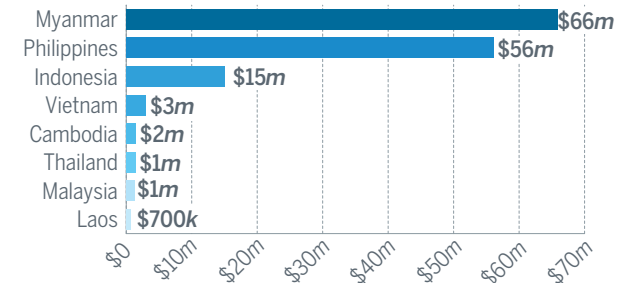
## MULTILATERAL EXERCISE PARTNERS IN ASEAN



### LEGEND



## HUMANITARIAN ASSISTANCE AND DISASTER RELIEF



## US-ASEAN SECURITY ALLIES AND PARTNERS

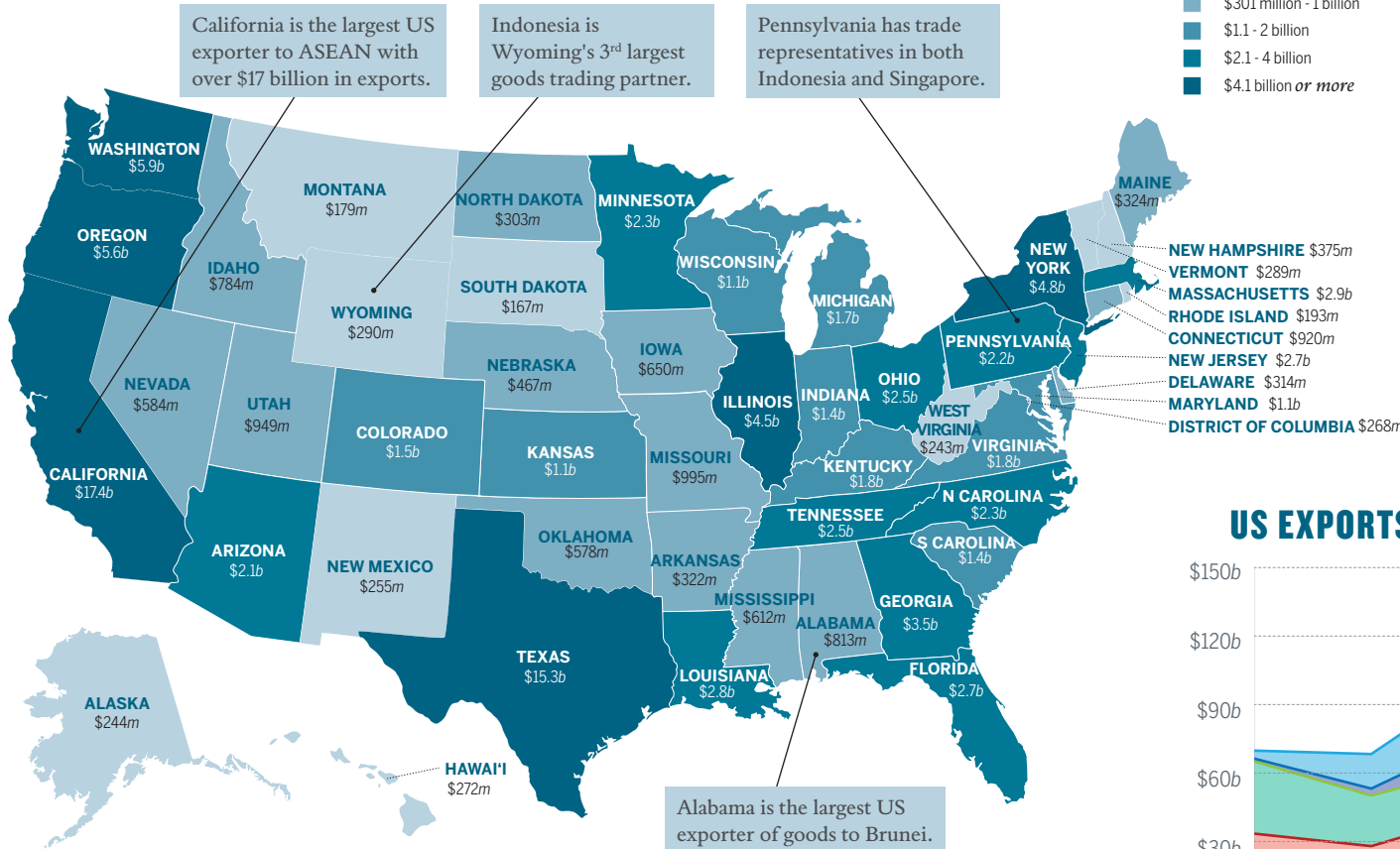
UNITED STATES AND PHILIPPINES	UNITED STATES AND THAILAND	UNITED STATES AND SINGAPORE
Major non-NATO Alliance	Major non-NATO Alliance	Enhanced Defense Cooperation Agreement



# Annual US Exports in Goods and Services to ASEAN Total over \$105 Billion

ASEAN as a whole ranks 4<sup>th</sup> after Canada, Mexico, and China as a goods export market for the United States, and the United States is the 4<sup>th</sup> largest trading partner for ASEAN. The United States exported \$75 billion in goods and \$31 billion in services to ASEAN, an increase of 59% over a decade. Twenty-six US states each export over \$1 billion in goods and services to ASEAN, including California and Texas, which both export over \$15 billion to ASEAN.

## GOODS AND SERVICES EXPORTS TO ASEAN



California is the largest US exporter to ASEAN with over \$17 billion in exports.

Indonesia is Wyoming's 3<sup>rd</sup> largest goods trading partner.

Pennsylvania has trade representatives in both Indonesia and Singapore.

Alabama is the largest US exporter of goods to Brunei.

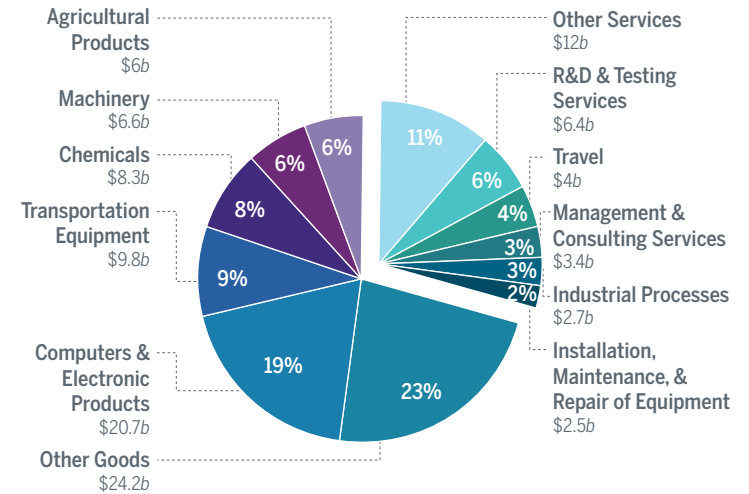
NOTE: Services data not available for Cambodia, Laos, and Myanmar.  
 Source US Map and Pie Chart: Estimated by the Trade Partnership (Washington, DC), 2017 data  
 Source Line Chart: US International Trade Administration (ITA) and Bureau of Economic Analysis (BEA)

The total value of US-ASEAN bilateral trade has increased 28%, from \$177 billion to \$227 billion in a decade. ASEAN's surplus in goods with the United States totaled \$91 billion, while the US surplus in services with ASEAN totaled \$10 billion.

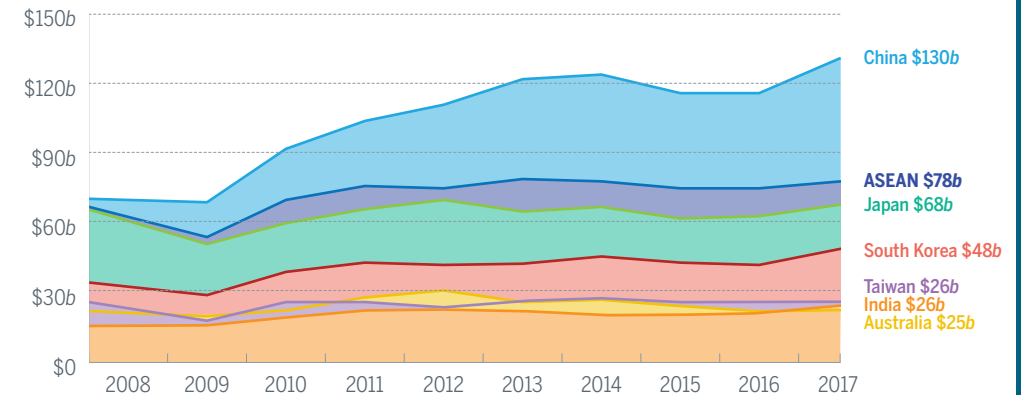
## COMPOSITION OF US GOODS & SERVICES EXPORTS TO ASEAN

### LEGEND

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



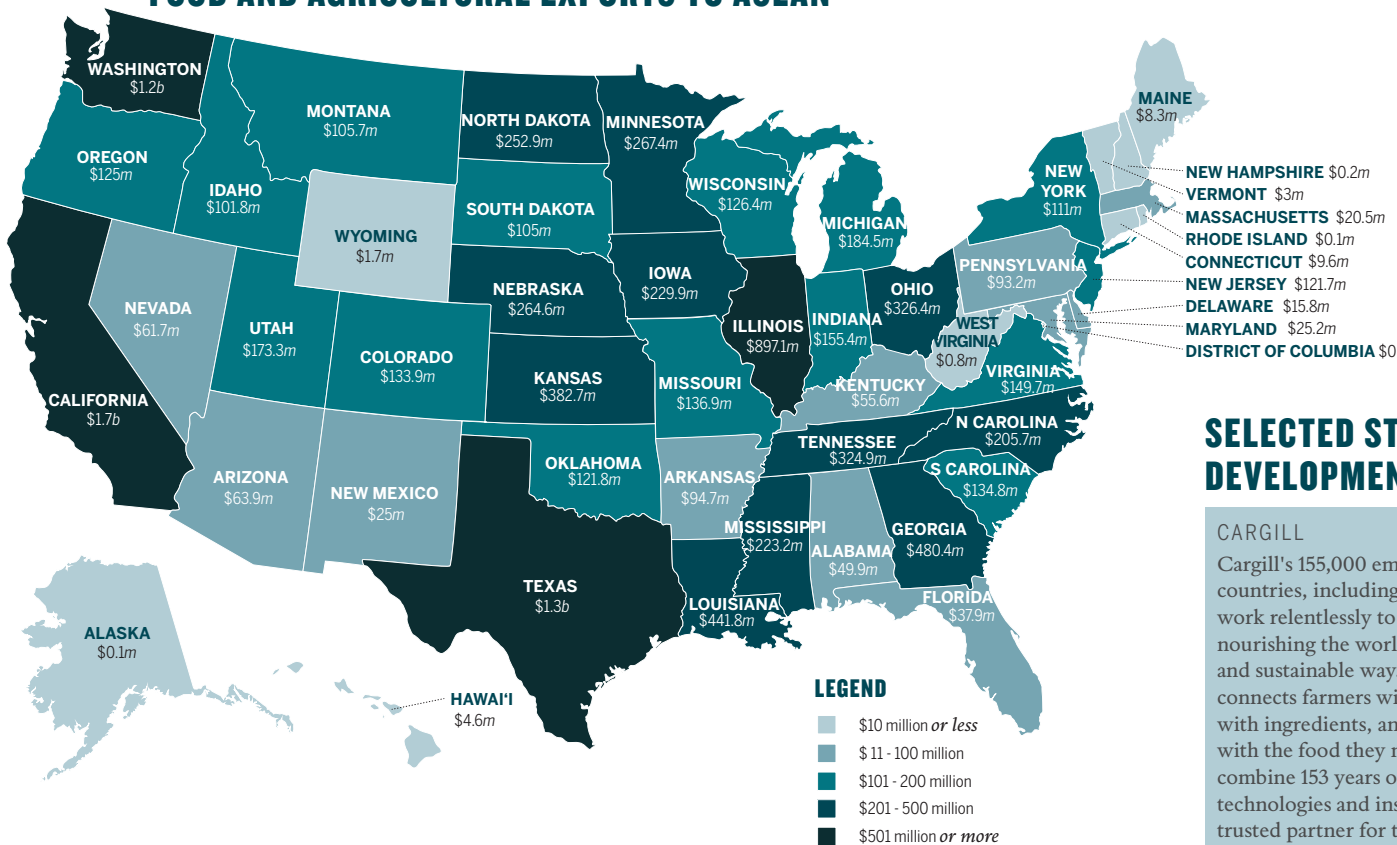
## US EXPORTS TO THE INDO-PACIFIC



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

The United States exports \$13 billion in food and agricultural goods to ASEAN, including over \$400 million in tree nuts and \$700 million in dairy products. ASEAN is 4<sup>th</sup> largest global importer of US agricultural goods, and the 2<sup>nd</sup> largest importer of US food and agricultural products in the Indo-Pacific after China. Thirty states export over \$100 million in food and agricultural goods to ASEAN, with California, Washington, Illinois, and Texas as the top four exporters.

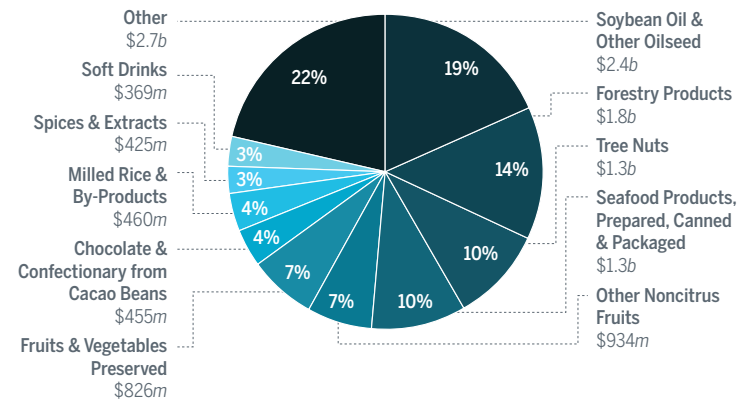
## FOOD AND AGRICULTURAL EXPORTS TO ASEAN



Source US Map: Estimated by the Trade Partnership (Washington, DC), 2017 data using NAICS codes 111, 112, 311  
 Source Pie Chart: US Census Bureau, 2017 data using NAICS codes 111, 112, 1132, 311, 3121  
 Additional Sources: US Department of Agriculture, Food and Agriculture Organization of the United Nations

The top agricultural exports from ASEAN to the United States include soybean oil (\$2.4 billion), forestry products (\$1.8 billion), and tree nuts (\$1.3 billion). ASEAN is also the top global rubber and palm oil exporter, responsible for 75% and 85% of global production, respectively.

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



## SELECTED STORIES: US AGRIBUSINESS SUPPORTS DEVELOPMENT IN ASEAN

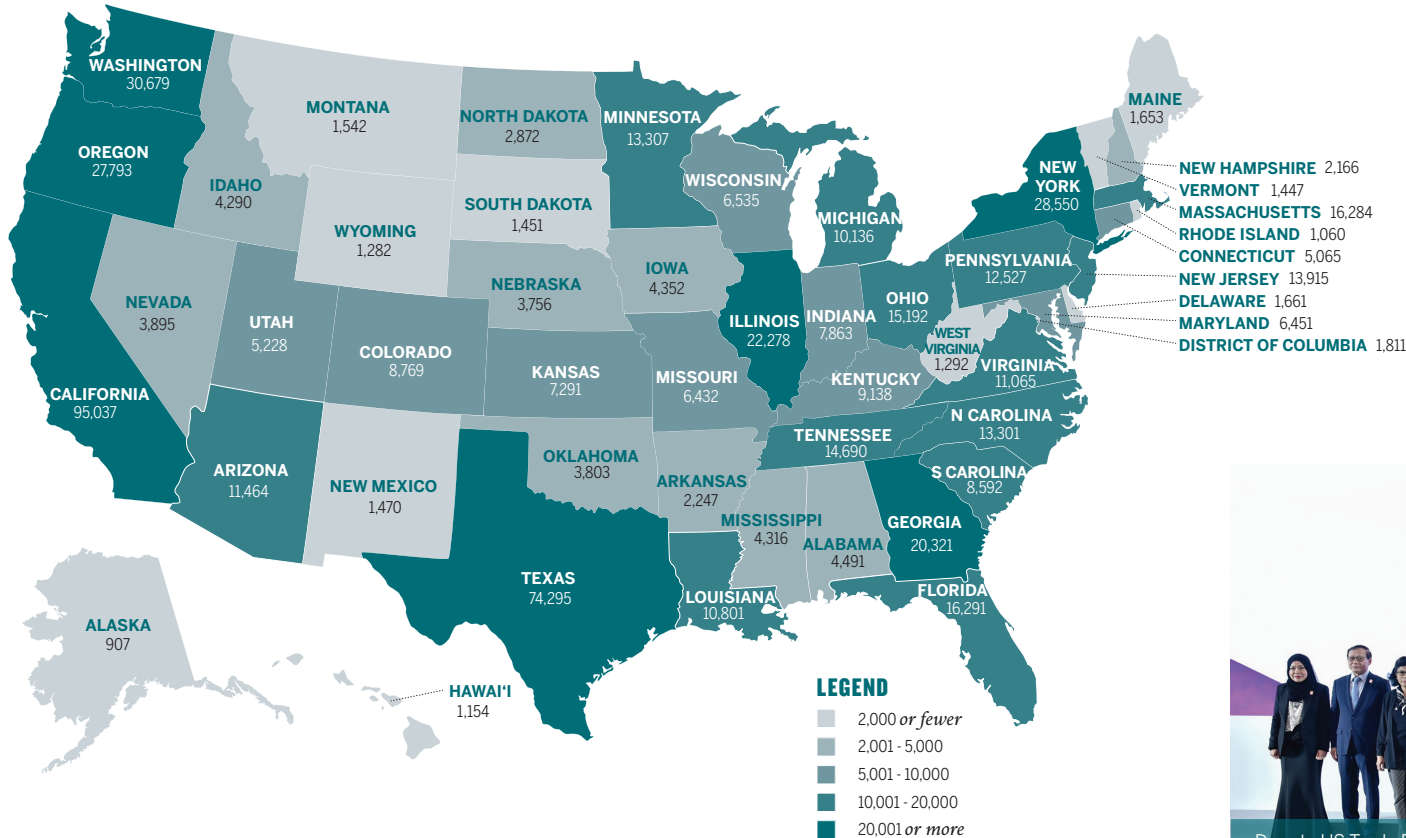
**CARGILL**  
 Cargill's 155,000 employees across 70 countries, including over 40,000 in ASEAN, work relentlessly to achieve their purpose of nourishing the world in a safe, responsible and sustainable way. Every day Cargill connects farmers with markets, customers with ingredients, and people and animals with the food they need to thrive. They combine 153 years of experience with new technologies and insights to serve as a trusted partner for their food, agriculture, financial and industrial customers.

**ADM**  
 Archer Daniels Midland Company (ADM) is a leading agricultural processor and food ingredient provider with 40,000 employees around the world. ADM's Asia and Pacific Rim trading and sales operations are headquartered in Singapore, and serve emerging markets in Indonesia, Philippines, Vietnam, and Thailand. A key part of ADM's Asia strategy is its strategic ownership interest in Wilmar International Limited, Asia's premiere agricultural processing business. ADM's key businesses in Southeast Asia include: food and beverage ingredients, agricultural commodities and animal nutrition products.

# All 50 US States Export to ASEAN, Supporting over Half a Million US Jobs

Almost 42,000 companies across the United States export to ASEAN. These goods and services exports support, directly or indirectly, about 590,000 US jobs. Nineteen states have more than 10,000 jobs that rely on exports to ASEAN member states. In four US states – Wyoming, Oregon, Idaho, and Maine – ASEAN accounts for more than 20% of export-dependent jobs to the Indo-Pacific.

## JOBS SUPPORTED BY EXPORTS TO ASEAN



Source: Estimated by the Trade Partnership (Washington, DC), 2017 data

In per capita terms, trade with the 10 ASEAN member states creates the most jobs for Oregon, followed by Washington, North Dakota, Texas, and the District of Columbia. Trade with ASEAN creates over a quarter of a million combined jobs in California, Texas, Washington, New York, and Illinois.

## TOP 10 STATES

### ASEAN AS A SHARE OF INDO-PACIFIC EXPORT-DEPENDENT JOBS

1	Wyoming	34%
2	Oregon	30%
3	Idaho	28%
4	Maine	22%
5	Montana	19%
6	Vermont	18%
7	Minnesota	17%
8	North Dakota	17%
9	Kansas	16%
10	Washington	15%



Deputy US Trade Representative Jeffrey Gerrish and ASEAN Economic Ministers at the AEM-USTR Consultations in Singapore

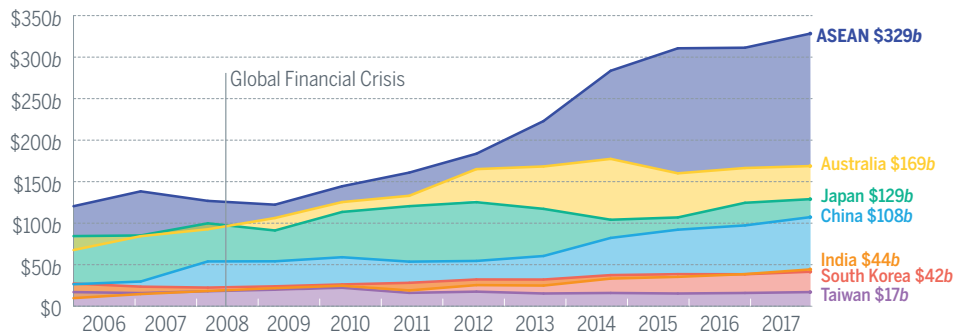
Photo: US-ASEAN Business Council

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

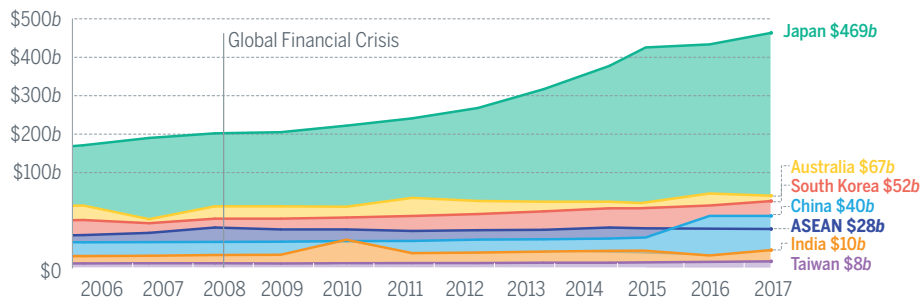
ASEAN member states have increased their investment into the United States by over 250%, from \$7.3 billion to over \$27 billion. Singapore is the fastest growing investor in the United States from the Indo-Pacific.

To date ASEAN has received almost \$329 billion in investment from the United States, more than the United States has directed to China\*, India, Japan, and South Korea combined. US direct investment in ASEAN has increased by an average annual rate of 10% in the past decade, and now accounts for over one third of US investment into the Indo-Pacific to date.

## US DIRECT INVESTMENT POSITION IN THE INDO-PACIFIC

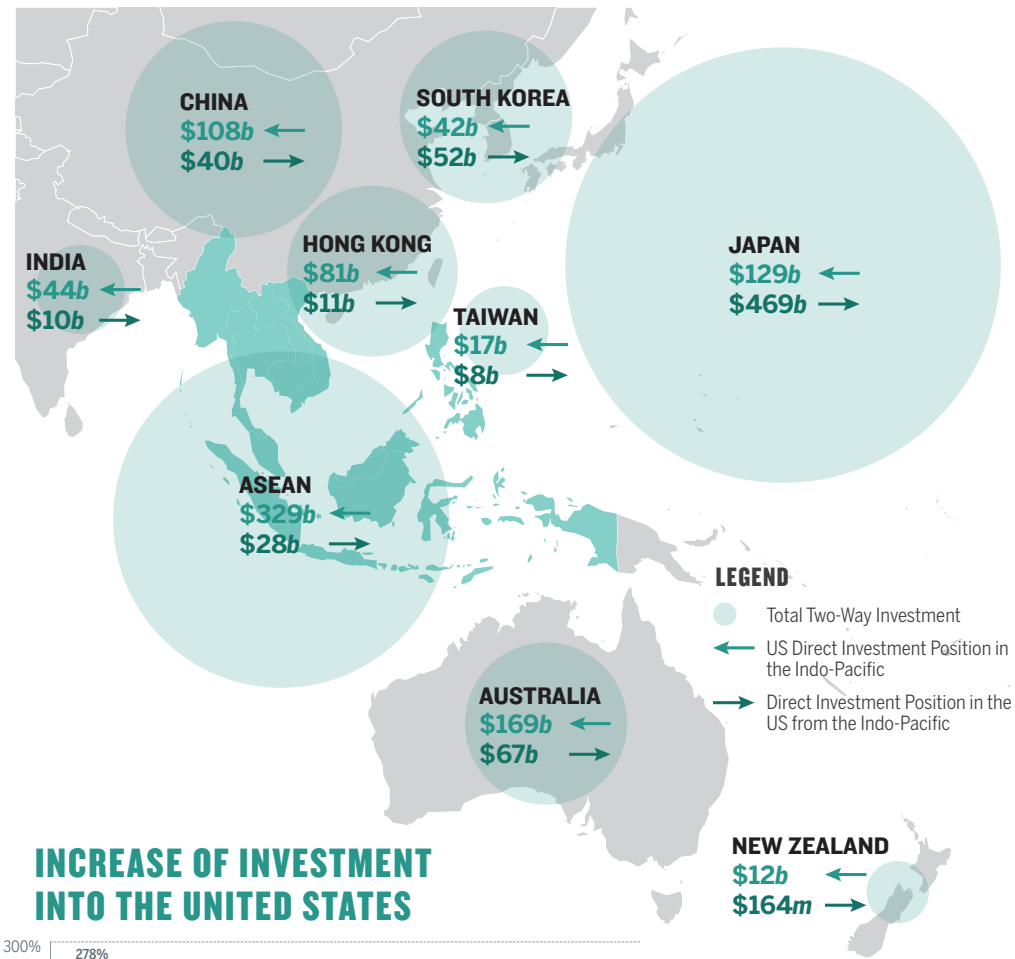


## INDO-PACIFIC DIRECT INVESTMENT POSITION IN THE UNITED STATES

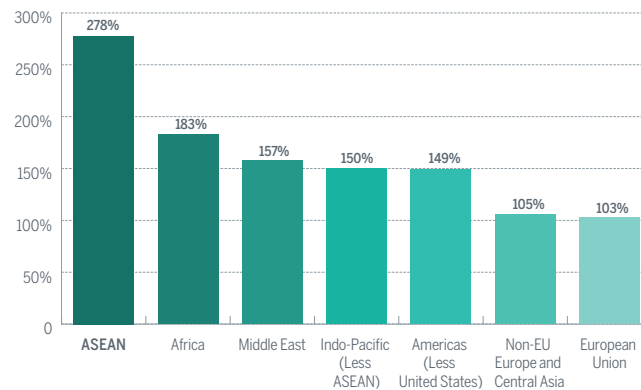


\*Data for China does not include the Special Administrative Region of Hong Kong or Taiwan  
Source: US Bureau of Economic Analysis (BEA) Direct Investment Position on a Historical-Cost Basis, 2017 data

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



## INCREASE OF INVESTMENT INTO THE UNITED STATES



## US COMPANIES INVESTING IN ASEAN

Over 4,200 US companies operate in ASEAN, including nearly 70% of the 124 US multinational enterprises (MNEs) listed in the Global Fortune 500. Many of these companies use ASEAN as a production platform to export within the region and to other parts of the world, leveraging ASEAN's free trade agreements with many other Indo-Pacific countries. US companies in ASEAN, many of whom operate in multiple ASEAN member states, create significant business linkages involving local suppliers and contractors in the region.

According to the ASEAN Business Outlook Survey, 80% of US companies expect that their trade and investment in ASEAN will increase over the coming years. Survey respondents were very supportive of the ASEAN Economic Community (AEC) that was initiated in 2015, with over 90% indicating that ASEAN markets are central to their companies' future investment plans.

## US COMPANIES IN ASEAN MEMBER STATES\*



## SELECTED STORIES: US COMPANIES OPERATING IN ASEAN

### COCA-COLA

The Coca-Cola Company's heritage in ASEAN dates back more than 100 years from its early days distributing one brand, to today where it proudly operates as a total beverage company that manufactures across the region. For the reasons outlined in this publication, ASEAN remains a top growth opportunity for its business. The Coca-Cola Company looks forward to continue investing in the region and contributing to sustainable development through initiatives including improving recycling and reducing packaging waste, providing access to clean drinking water for communities and economically empowering women.

### MSD

MSD, a leading global biopharmaceutical company, has been inventing for life for over 125 years, bringing forward medicines and vaccines for many of the world's most challenging diseases. MSD conducts business in the ASEAN region and examples are the regional headquarters and a translational medicine research center located in Singapore, a regional packaging facility in Indonesia and the regional finance function in Malaysia. Through their presence in ASEAN, the innovative solutions that they provide and their efforts in biomedical research, MSD is committed to improving the lives of the patients in the ASEAN region.

### CITI

With a presence in ASEAN since 1902, Citi runs consumer and institutional banking operations serving over 4 million customers in Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam. The region also hosts a number of strategically important regional and global business hubs for multiple Citi businesses, as well as a number of state-of-the-art processing hubs and data centers serving more than 90 countries around the world.

### CHEVRON

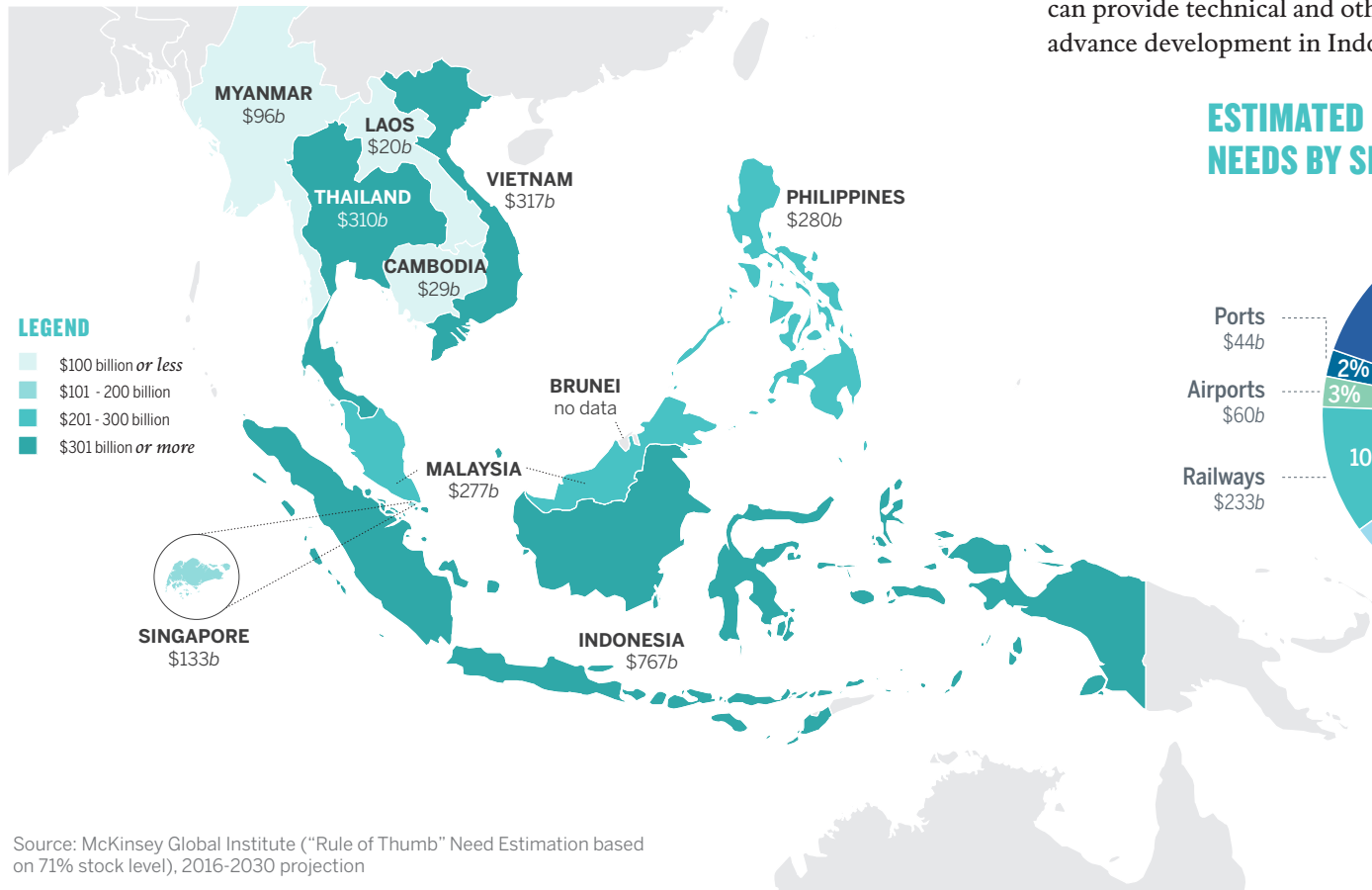
Chevron maintains a presence in eight ASEAN member states and provides the energy to support economic growth in this dynamic region of the world. Chevron is one of the largest international oil companies in the region in terms of reserves and resources, where the company has had a presence for around a century. The company is the leading natural gas producer in Thailand, one of the largest oil producers in Indonesia, and has interests in refinery operations in Singapore and Thailand.

\*Companies indicate US parent companies with subsidiaries in ASEAN member states as recognized by Uniworld. For more information on our methodology, please visit [AsiaMattersforAmerica.org/sources-and-methodology](http://AsiaMattersforAmerica.org/sources-and-methodology)  
Source Map: Uniworld Business Publications (accessed February 2019)  
Additional Sources: ASEAN Business Outlook Survey 2018, US Chamber of Commerce; Fortune; individual corporations

# ASEAN has Over \$2 Trillion Worth of Infrastructure Investment Opportunities

The McKinsey Global Institute forecasts the need for over \$2 trillion in investment in road, rail, port, airport, power, water, and telecommunications infrastructure across ASEAN to maintain economic growth. China, Japan, and the United States have pledged funding for major infrastructure projects across all sectors via government aid and public-private partnerships.

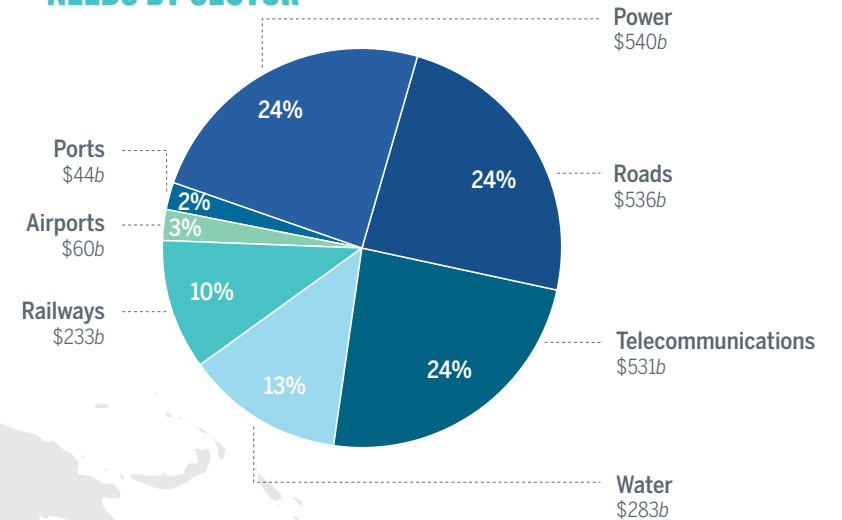
## ESTIMATE FOR INFRASTRUCTURE INVESTMENT NEEDS



Source: McKinsey Global Institute ("Rule of Thumb" Need Estimation based on 71% stock level), 2016-2030 projection

US initiatives to support infrastructure investment in ASEAN include the US-ASEAN Connect framework's Energy Connect pillar, which has pledged to invest in a five-year effort in ASEAN to increase the supply of grid-connected renewable energy. This investment includes at least 500 megawatts of grid-tied renewable energy generation in the lower Mekong River countries of Cambodia, Laos, Thailand, and Vietnam. Additionally, the United States International Development Finance Corporation (USIDFC), established as part of the Better Utilization of Investment Leading to Development Act (BUILD Act), can provide technical and other assistance including infrastructure projects to advance development in Indo-Pacific economies.

## ESTIMATED INFRASTRUCTURE INVESTMENT NEEDS BY SECTOR



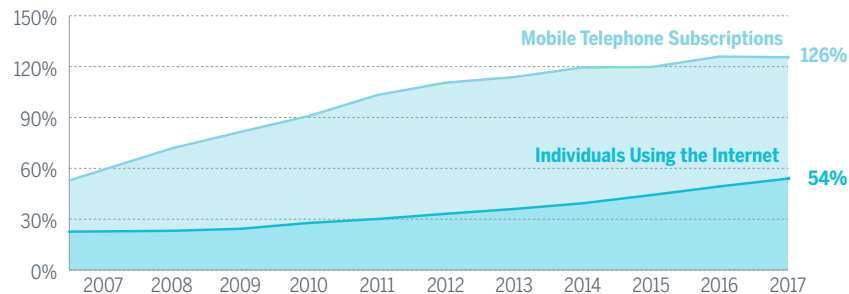
## ASEAN's Digital Economy is Projected to Exceed \$240 Billion by 2025

ASEAN has a predominantly mobile digital space with over 90% of internet users connected via smartphones. With 914 million active mobile connections, almost 1.5 times its population, ASEAN is the world's fastest-growing internet market. A youthful and increasingly middle class population, along with the growth in reliable mobile connections and affordable smartphones, is further driving the region's digital economy and making it one of the world's largest social media markets.

With digitization comes increased opportunities for both ASEAN and US businesses to reach new customers and suppliers. Online spending is expected to rise more than threefold to \$240 billion by 2025, fueled by ride-hailing apps, e-commerce, online media, and increased intra-regional travel. E-commerce in ASEAN alone is expected to grow by 32% to over \$88 billion in the next decade. ASEAN small and medium-size enterprises (SMEs)

### INTERNET PENETRATION AND MOBILE SUBSCRIPTIONS IN ASEAN

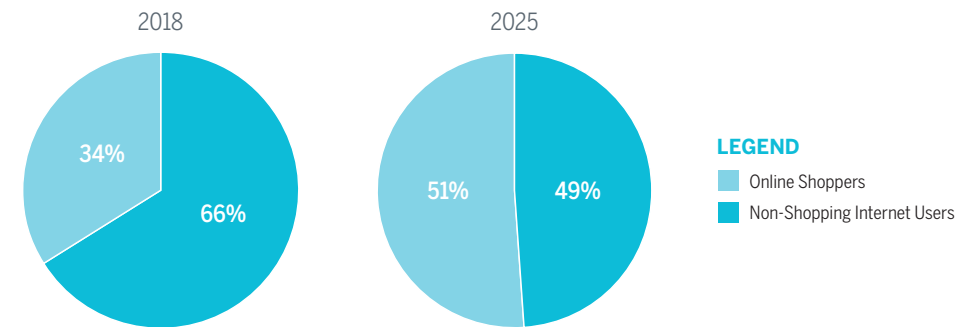
*Mobile penetration outpaces traditional internet access across the region*



Source Internet Penetration: International Telecommunications Union (ITU)  
 Source Online Shoppers: e-Conomy SEA 2017 and 2018 (Data limited to Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam)  
 Additional Sources: US-ASEAN Business Council/Deloitte study "Advancing the ASEAN Economic Community: The Digital Economy and the Free Flow of Data"

especially stand to benefit from increased connectivity, access to digital tools, and rising online consumer demand. To harness this potential, the US government and businesses have provided support to over 120,000 ASEAN entrepreneurs since 2011, including through the US-ASEAN Business Alliance for Competitive SMEs and the online ASEAN SME Academy.

### ONLINE SHOPPERS AS A PERCENTAGE OF INTERNET USERS IN ASEAN



### SELECTED STORIES: BUILDING ENTREPRENEURIAL EXPERTISE



Photo: US-ASEAN Business Council

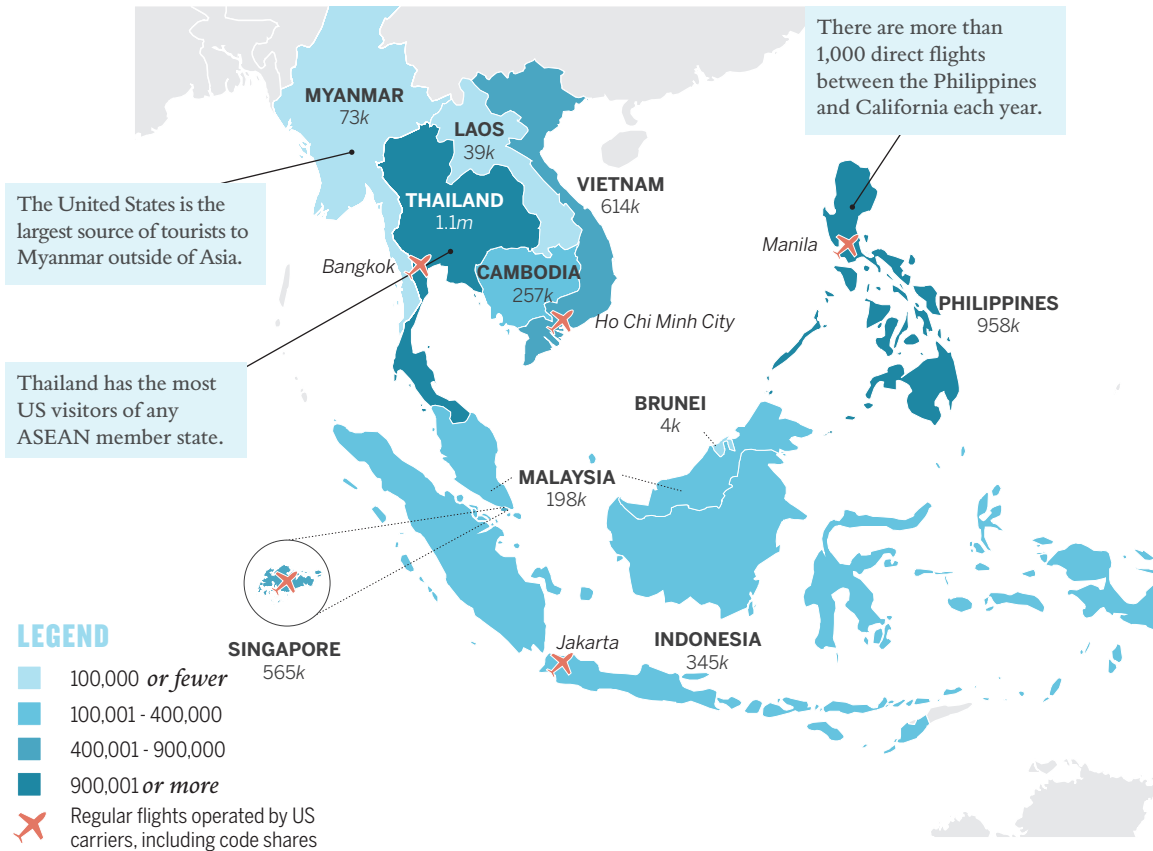
US companies have supported digital literacy to empower SMEs to access new technologies to conduct cross border trade. The US-ASEAN Business Council has conducted more than 45 SME workshops, empowering over 6,700 entrepreneurs across all 10 ASEAN nations. The Council's ASEAN SME Academy offers free online courses, provided by the world's best companies to over 4,500 users. US companies leading the Council's SME program include UPS, which has provided SMEs with tools to enter global supply chains; Facebook, with courses on building sales through online marketing; and Cisco, with online training on digital transformation for SMEs in Industry 4.0 era.

# ASEAN Visitors add \$5 Billion to the US Economy Annually

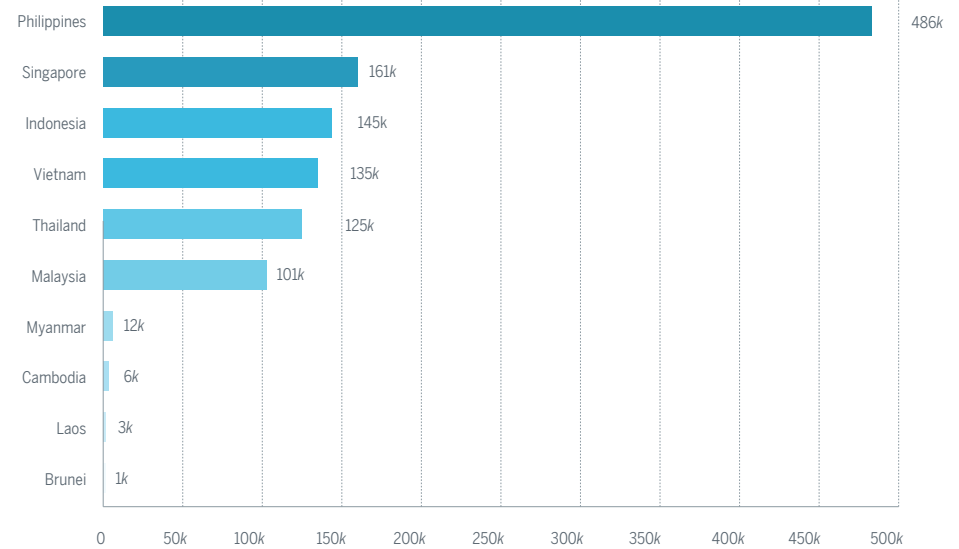
Nearly 1.2 million people from ASEAN member states visit the United States, and over 4 million Americans visit ASEAN. Thailand, the Philippines, Vietnam, and Singapore are the top destinations in ASEAN, with over 3 million annual visitors from the United States combined. US airlines serve cities in all four of these countries.

Visitors from ASEAN member states contribute over \$800 million to California's economy, as well as \$502 million to New York's, \$400 million to Florida's, and \$338 million to Texas's.

## VISITORS FROM THE UNITED STATES TO ASEAN



## VISITORS FROM ASEAN TO THE UNITED STATES



## TOP 10 STATES

ASEAN VISITOR SPENDING		
1	California	\$833m
2	New York	\$502m
3	Florida	\$400m
4	Texas	\$338m
5	Massachusetts	\$209m
6	Illinois	\$192m
7	Nevada	\$158m
8	Pennsylvania	\$145m
9	Washington	\$128m
10	North Carolina	\$112m

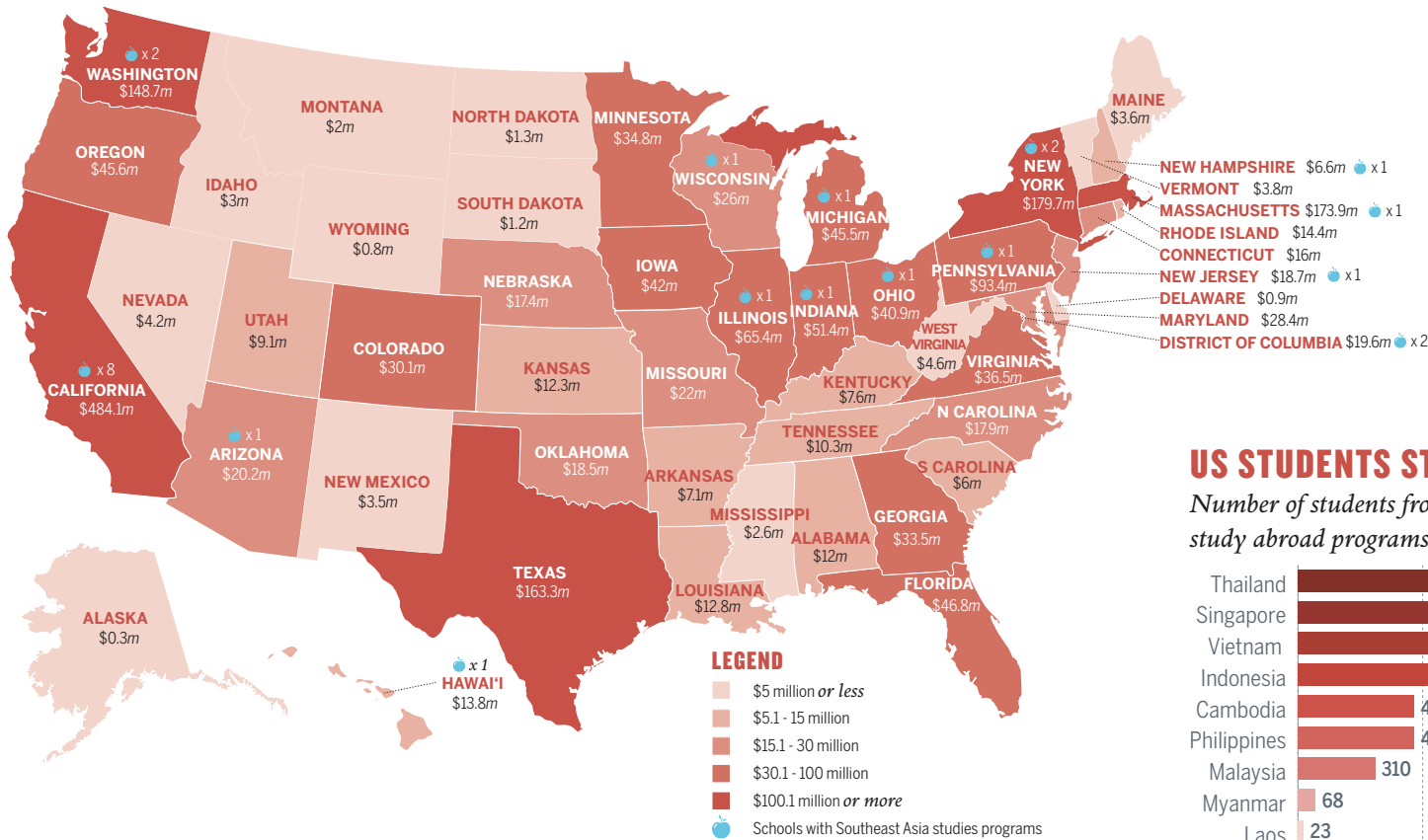
Source Visitors from US: Cambodia Ministry of Tourism, Statistics Indonesia, Lao Tourism Development Department, Tourism Malaysia, Myanmar Ministry of Hotels & Tourism, Philippines Department of Tourism, Singapore Tourism Board, Thai Ministry of Tourism & Sports, Vietnam National Administration of Tourism, UN World Tourism Organization, 2017 data  
 Source Visitor Spending: Estimated by the Trade Partnership (Washington, DC), 2017 data  
 Source Visitors from ASEAN to the US: US Department of Homeland Security, 2017 data



# ASEAN Students Contribute over \$2 Billion to the US Economy

Almost 60,000 students from ASEAN study in the United States, comprising 5% of all international students. Over 24,000 students come from Vietnam, the most of any ASEAN member state and the 6<sup>th</sup> largest amount from any country globally. The top US destination for ASEAN students is California, where eight universities have Southeast Asia studies programs, followed by Texas, Washington, and New York.

## ECONOMIC CONTRIBUTION OF ASEAN STUDENTS



Source Economic Contribution: Institute of International Education (IIE) Open Doors report, 2017/18 academic year data; NAFFSA: Association of International Educators, 2017/18 academic year data; individual university websites  
 Source Top 10: IIE Open Doors report, 2017/18 academic year data  
 Source US Students: IIE Open Doors report, 2016/17 academic year data

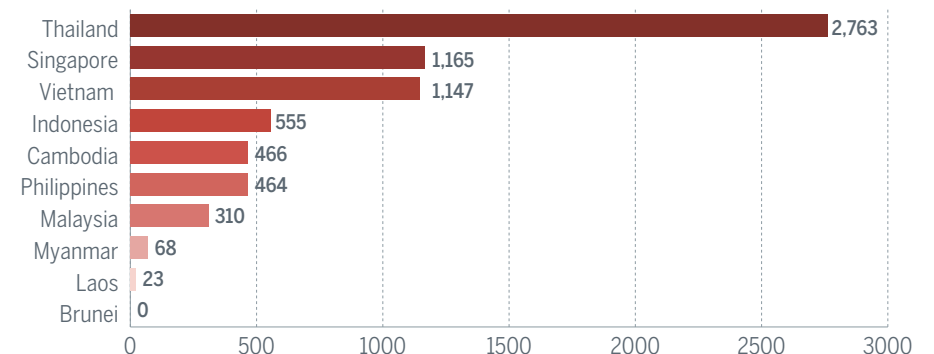
Nearly 7,000 US students study in ASEAN member states, an increase of 44% over a decade. Thailand, Singapore, and Vietnam are the most popular destinations for study abroad, with over 70% of US students in ASEAN studying in these three countries.

## TOP 10 STATES

ASEAN STUDENTS AS A SHARE OF INTERNATIONAL STUDENTS		
1	Washington	16%
2	Hawai'i	12%
3	Oregon	10%
4	Nebraska	10%
5	Iowa	10%
6	Maine	7%
7	Texas	7%
8	Minnesota	7%
9	California	7%
10	Colorado	7%

## US STUDENTS STUDYING ABROAD IN ASEAN

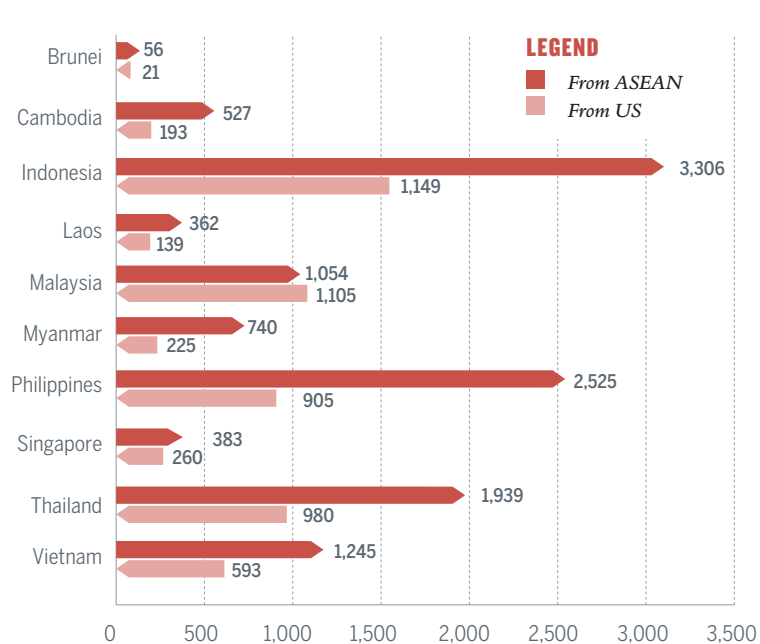
Number of students from US colleges and universities who enrolled in study abroad programs in ASEAN member states



## FULBRIGHT PROGRAM

Over 650 students, teachers, and scholars participate in Fulbright exchanges between the United States and ASEAN. Participants from all 10 ASEAN member states take part in the program. Since the program's founding in 1949, over 12,000 students, teachers, and scholars from ASEAN have participated, including over 3,300 from Indonesia and over 2,500 from the Philippines. Since 1949 there have been over 5,500 American Fulbright participants, with the greatest number engaged in the Indonesia, Malaysia, and Thailand programs.

### FULBRIGHT PARTICIPANTS SINCE 1949

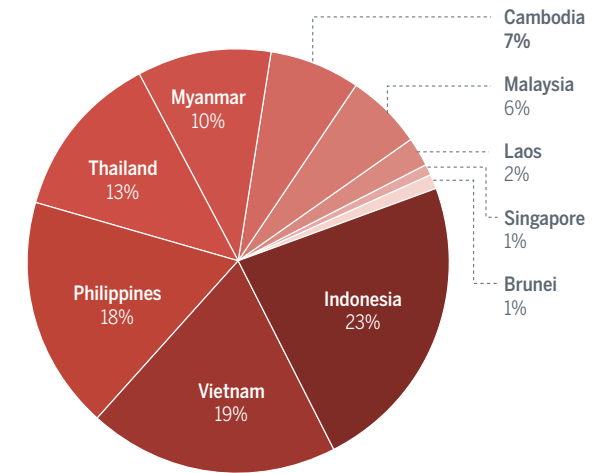


Source Fulbright: US Department of State, Bureau of Education and Cultural Affairs, 1949-2017  
 Source YSEALI: US Department of State, US Mission to ASEAN (as of February 2019)

## THE YOUNG SOUTHEAST ASIAN LEADERS INITIATIVE (YSEALI)

Established in 2014, YSEALI is a program focused on strengthening leadership development in ASEAN. More than 140,000 young people, ages 18-35, have joined the program, and over 160,000 are following YSEALI on social media platforms. Through YSEALI, the US government has engaged over 50,000 ASEAN youth through regional workshops and exchanges, professional and academic fellowships at universities, businesses, and non-profits in the United States, and community-focused grants in order to develop local ties between the United States and ASEAN.

### YSEALI PARTICIPATION BY COUNTRY



YSEALI - EWC Environmental Leadership Institutes participants visiting Kualoa in Oahu, Hawaii

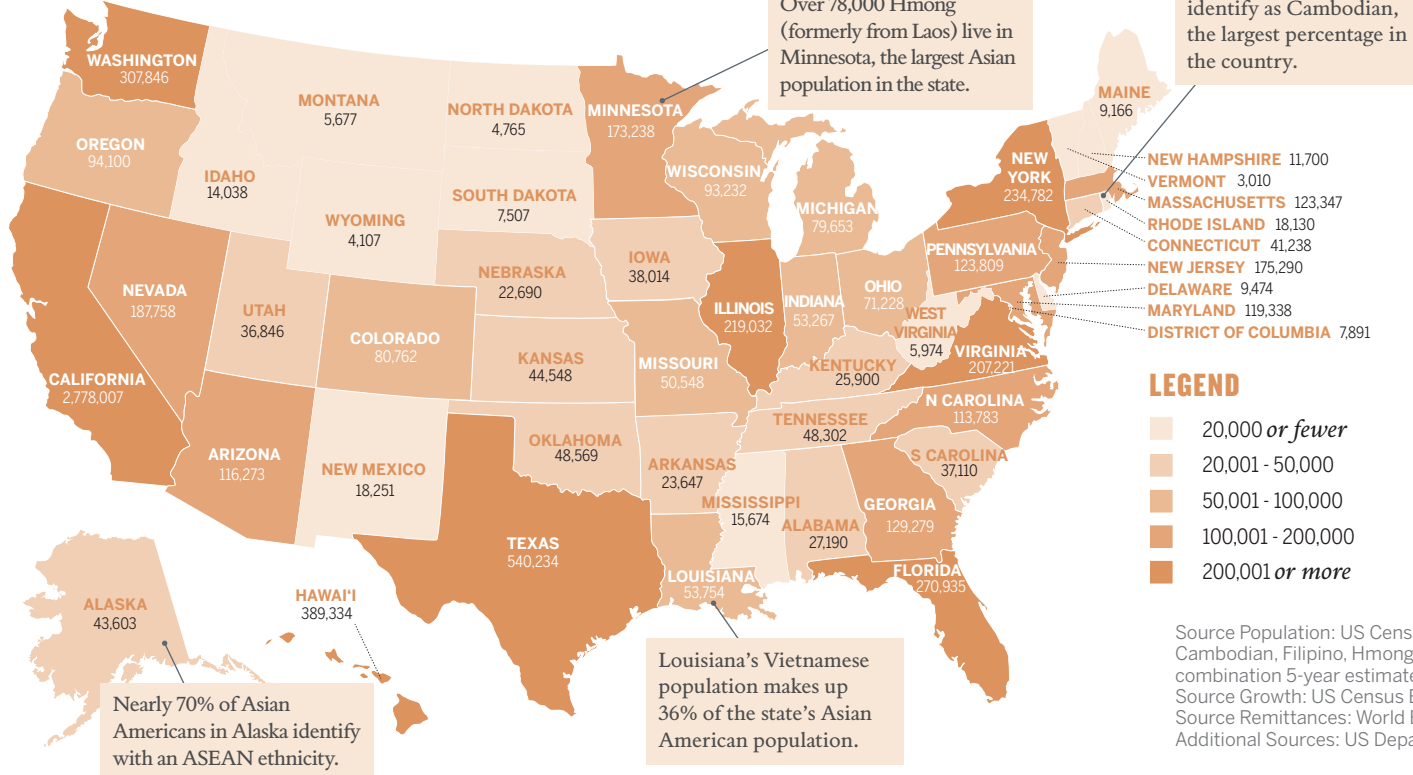
Photo: East-West Center

# 35% of 21 Million Asian Americans Identify with an ASEAN Ethnicity

Of the estimated 21 million Asian Americans in the United States, 7.4 million identify with an ASEAN ethnicity. Filipino and Vietnamese are the largest groups, with populations of 3.9 million and 2 million, respectively. Hawai'i, California, Nevada, Alaska, and Washington have the highest percentage of populations who identify with an ASEAN ethnicity.

Immigrants from ASEAN member states account for over 10% of all naturalizations in the United States, and 29% of naturalizations by Asians. Remittances – funds that immigrants send to individuals in their home countries – represent a major financial flow between the United States and ASEAN. The Philippines and Vietnam are among the top five recipients of remittances from the United States after Mexico, China, and India.

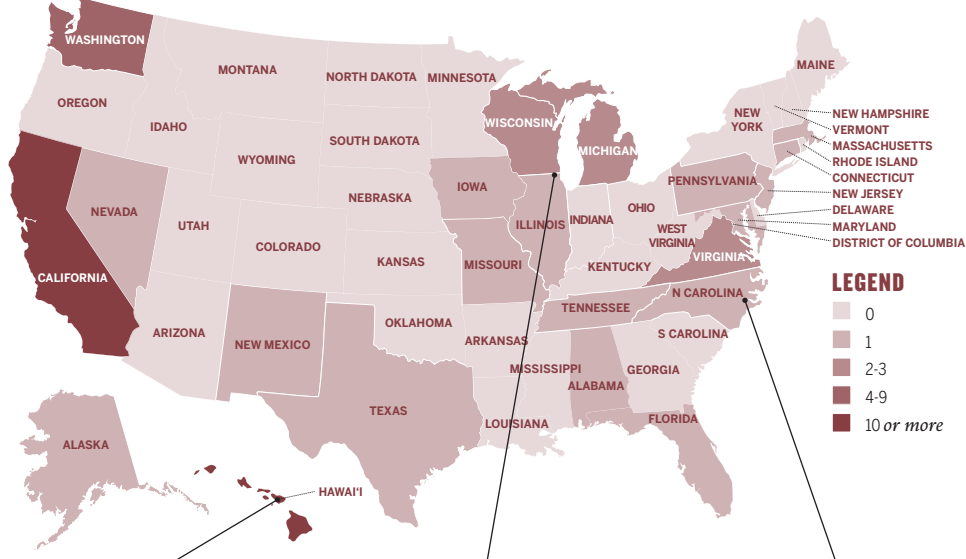
## ASEAN AMERICAN POPULATION BY STATE



# 91 Sister Relationships between the United States and ASEAN Build People-to-People and Commercial Connections

Sister relationships are local partnerships between cities, counties, provinces, and states with similar jurisdictions. These build ties between communities and support personal, commercial, and cultural initiatives. Seven ASEAN member states link to 23 US states through 68 sister city, 9 sister state, and 14 sister county connections.

## US SISTER RELATIONSHIPS WITH ASEAN



Maui County in Hawai'i has the most sister relationships in ASEAN of any US city, county, or state with nine sister relationships.

Elgin, Illinois is the only US city to share a sister relationship with a city in Laos.

Beaufort, North Carolina enjoys a sister city relationship with Beaufort, Malaysia.

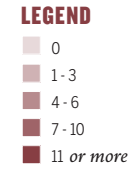
US	ASEAN
Mobile, AL	Bolinao, PH
Juneau, AK	Camiling, PH
State of California	Yogyakarta Province, ID
Alameda, CA	Dumaguete, PH
Berkeley, CA	Uma-Bawang, MY
Carson, CA	La Carlota, PH
Carson, CA	Parañaque, PH
Chula Vista, CA	Cebu City, PH

US	ASEAN
Davis, CA	Los Banos, PH
Davis, CA	Munoz, PH
Long Beach, CA	Bacolod, PH
Long Beach, CA	Phnom Penh, KH
Los Angeles, CA	Jakarta, ID

**LEGEND**  
 Cambodia - KH; Indonesia - ID; Laos - LA;  
 Malaysia - MY; Philippines - PH; Thailand - TH;  
 Vietnam - VN

US	ASEAN
Los Angeles, CA	Makati, PH
Milpitas, CA	Dagupan City, PH
Oakland, CA	Da Nang, VN
Palo Alto, CA	Palo, PH
Riverside, CA	Can Tho, VN
Sacramento, CA	Manila, PH
Sacramento, CA	Pasay, PH
Salinas, CA	Cebu City, PH
San Bernardino, CA	Roxas, PH

## ASEAN SISTER RELATIONSHIPS WITH THE UNITED STATES



The Philippines has the most sister city relationships with the United States of all ASEAN member states at 64.

US	ASEAN	US	ASEAN	US	ASEAN
San Diego, CA	Cavite City, PH	Hawai'i County, HI	Ormoc City, PH	State of Iowa	State of Terengganu, MY
San Francisco, CA	Ho Chi Minh City, VN	Honolulu, HI	Baguio, PH	State of Maryland	Ninh Thuan Province, VN
San Francisco, CA	Manila, PH	Honolulu, HI	Candon City, PH	Lowell, MA	Phnom Penh, KH
San Leandro, CA	Naga, PH	Honolulu, HI	Cebu City, PH	Sterling Heights, MI	Legazpi City, PH
Santa Barbara, CA	San Juan, PH	Honolulu, HI	Hue, VN	Sterling Heights, MI	Sorsogon City, PH
Santa Clarita, CA	Sariaya, PH	Honolulu, HI	Laoag City, PH	St. Louis, MO	Bogor, ID
South San Francisco, CA	Pasig City, PH	Honolulu, HI	Mandaluyong, PH	Reno, NV	Udonthani, TH
Stockton, CA	Battambang, KH	Honolulu, HI	Manila, PH	Jersey City, NJ	General Santos City, PH
Stockton, CA	Iloilo, PH	Honolulu, HI	Vigan, PH	Angel Fire, NM	Quang Tri Town, VN
Union City, CA	Baybay, PH	Kauai County, HI	Bangued, PH	Beaufort, NC	Beaufort, MY
Union City, CA	Chiang Rai, TH	Kauai County, HI	Davao City, PH	Pittsburgh, PA	Da Nang, VN
Union City, CA	Pasay, PH	Kauai County, HI	Santa, PH	Cleveland, TN	Phnom Penh, KH
Vallejo, CA	Baguio, PH	Kauai County, HI	Urdaneta, PH	Fort Worth, TX	Bandung, ID
Walnut, CA	Calamba, PH	Maui County, HI	Bacarra City, PH	Norfolk, VA	Cagayan de Oro, PH
New Haven, CT	Hue, VN	Maui County, HI	Badoc, PH	Virginia Beach, VA	Olongapo, PH
Washington, DC	Bangkok, TH	Maui County, HI	Cabugao, PH	Lakewood, WA	Bauang, PH
Fort Walton Beach, FL	Quezon City, PH	Maui County, HI	Manila, PH	Seattle, WA	Cebu City, PH
State of Hawai'i	Bali Province, PH	Maui County, HI	Puerto Princesa, PH	Seattle, WA	Hai Phong, VN
State of Hawai'i	Cebu Province, PH	Maui County, HI	Quezon City, PH	Seattle, WA	Sihanoukville, KH
State of Hawai'i	Ilocos Norte Province, PH	Maui County, HI	Santa & San Juan, PH	Seattle, WA	Surabaya, ID
State of Hawai'i	Ilocos Sur Province, PH	Maui County, HI	Sarrat, PH	Tacoma, WA	Davao City, PH
State of Hawai'i	Isabela Province, PH	Maui County, HI	Zambales Province, PH	Kenosha, WI	Quezon City, PH
State of Hawai'i	Pangasinan Province, PH	Elgin, IL	Vientiane, LA	Milwaukee, WI	Medan, ID

Sources: Sister Cities International, 2018 data; individual sister city associations



## PUBLICATION DESIGN AND ILLUSTRATION

TOP SHELF DESIGN

Washington, DC

[www.topshelfdesign.net](http://www.topshelfdesign.net)

## THE ASIA MATTERS FOR AMERICA INITIATIVE

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

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



## ASEAN MATTERS FOR AMERICA/AMERICA MATTERS FOR ASEAN

US-ASEAN Business Council members contributed toward this initiative.



This project explores the important and multi-faceted relationship between the United States and the Association of Southeast Asian Nations (ASEAN). Part of the *Asia Matters for America* initiative, this publication and its corresponding website [AsiaMattersforAmerica.org/ASEAN](http://AsiaMattersforAmerica.org/ASEAN) provide tools for a global audience to explore the increasing significance of the US-ASEAN relationship in the 21<sup>st</sup> century.

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