

WEBINAR

17 November 2020

8th Private Sector Forum on Cooperation
in Minerals in ASEAN 2020

“Impact of Covid-19 on Minerals Investment in ASEAN”

Keynote Address

by

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**Development Prospects of ASEAN
Minerals Cooperation**

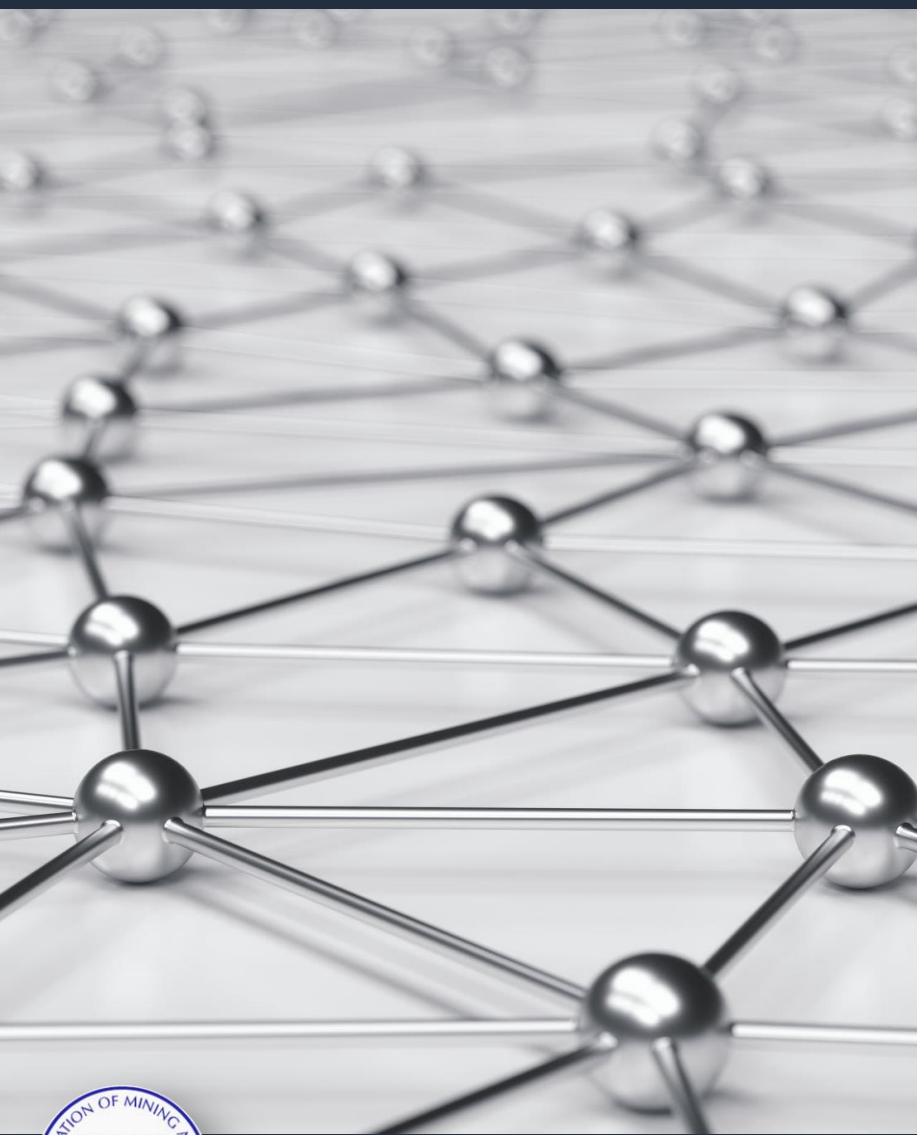
**- Key Issues, Expectations and
Recommendations**

IMPORTANCE OF COOPERATION

Cooperation in minerals will enable AMS and other ASEAN partners to work together in ensuring effective and sustainable approaches in minerals development while promoting investment and trade within ASEAN and beyond.



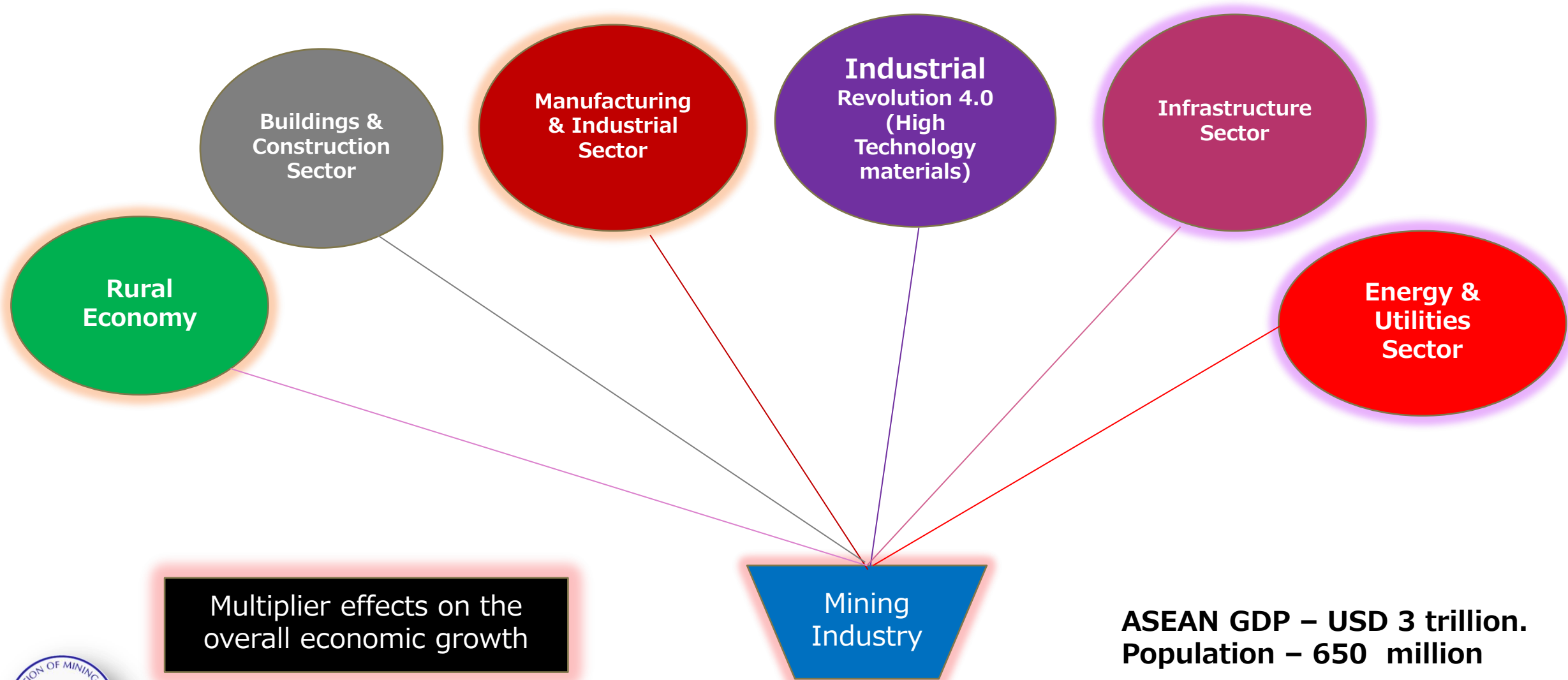
ASEAN SNAPSHOTS



- ASEAN GDP US\$ 3 trillion
- Average annual GDP growth (2010-2019) : 5.3%
- Population 650 million
- ASEAN International Merchandise Trade (Export & Import) in 2019 – US\$2.8 trillion
- Foreign Direct Investment in 2018 – US\$155 billion
- Intra-Extra ASEAN Trade in major minerals in 2019 estimated US\$70 billion contributing about 2.3% of total ASEAN GDP
- Contribution of ASEAN infrastructure, construction & manufacturing sectors to ASEAN GDP – US\$1 trillion or 30%



MINING INDUSTRY IS A KEY PILLAR FOR ASEAN'S DIVERSIFIED ECONOMY



RCEP SNAPSHOTS

- REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP) - Signed on 15/11/2020
- Members : ASEAN + China, Japan, South Korea, Australia and New Zealand (15 countries)
- GDP - US\$ 26 Trillion (30% of World GDP)
- Population - 2.2 billion
- Promoting Multilateralism and Free Trade
- Strengthening regional supply chains
- Lower tariffs and non-tariff barriers
- Strong commitment to supporting economic recovery post Covid-19



BACKGROUND

- AMCAP-III Phase 1 covering 2016-2020 scheduled to be completed in December 2020.
- Mid-Term Review Task Force has identified the conduct of a study on the Development Prospects of ASEAN Minerals Cooperation to be crucial in supporting the development of the next AMCAP.
- The 7th ASEAN Ministerial Meeting on Minerals (AMMin) has emphasised the need to review the development prospects of ASEAN minerals cooperation in the context of deepening the contribution of the sector towards ASEAN integration.
- The ASEAN Senior Officials Meeting on Minerals (ASOMM) and the ASEAN Secretariat have been tasked to develop an AMCAP-III Phase 2 that is regionally more strategic, relevant, effective and realistic.



VISION

The ASEAN Minerals Cooperation Action Plan-III (AMCAP-III) currently serves as the blueprint for minerals cooperation in ASEAN.

It envisions creating 'a vibrant and competitive ASEAN mineral sector for the well-being of the ASEAN people through enhancing trade and investment and strengthening cooperation and capacity for sustainable mineral development in the region'.



STRATEGIC AREAS

1. Facilitating and enhancing trade and investment in minerals
2. Promoting environmentally and socially sustainable mineral development
3. Strengthening institutional and human capacities in the ASEAN minerals sector
4. Maintaining an efficient and up-to-date ASEAN minerals database



STUDY BY UNI OF QUEENSLAND

In September 2020, the University of Queensland, Australia was appointed to conduct two studies;

- Development Prospects of ASEAN Minerals Cooperation
- An enhanced ASEAN Minerals Database and Information System (AMDIS)

under the management of the ASEAN Secretariat and with the oversight from the ASEAN Senior Officials Meeting on Minerals (ASOMM).

AFMA members are expected to actively engage in the stakeholder consultations for the two studies.



KEY ISSUES

Need to formulate new strategies that can accelerate and intensify mineral resource development, mineral trade and investment, especially in the light of the additional challenges created by the Covid-19 pandemic



RECOMMENDATIONS & EXPECTED OUTPUTS

Study of review results of AMCAP-III Phase 1

- Assigning priorities on implementation of work-in-progress projects
- Strengthening of projects' contents and value enhancement
- Giving more publicity to AMCAP and its activities to attract greater participation from both Government and the private sector
- Creating more opportunities for the private sector to participate in AMCAP activities



ASEAN'S MINING INDUSTRY

Value Creation and Responsible Business

STRATEGIC IMPERATIVES

- Stakeholder engagement
- Connectivity & Convergence
- Fair & equitable economic distribution to all stakeholders
- Licenses - Critical
- Supportive fiscal policies
- Robust administrative frameworks
- Strong commitments and leadership
- Private Sector-conducive business environments
- Health, Safety & Environment

STRATEGIC PRIORITIES

- Exploration
- Discovery
- Mining
- Processing
- Optimisation & Marketing



Economic Pillars
Building & Construction
Manufacturing
Infrastructure
Energy & Utilities
Rural Economy
Innovation & Knowledge Economy

RECOMMENDATIONS & EXPECTED OUTPUTS

Exploration and Mineral Resources

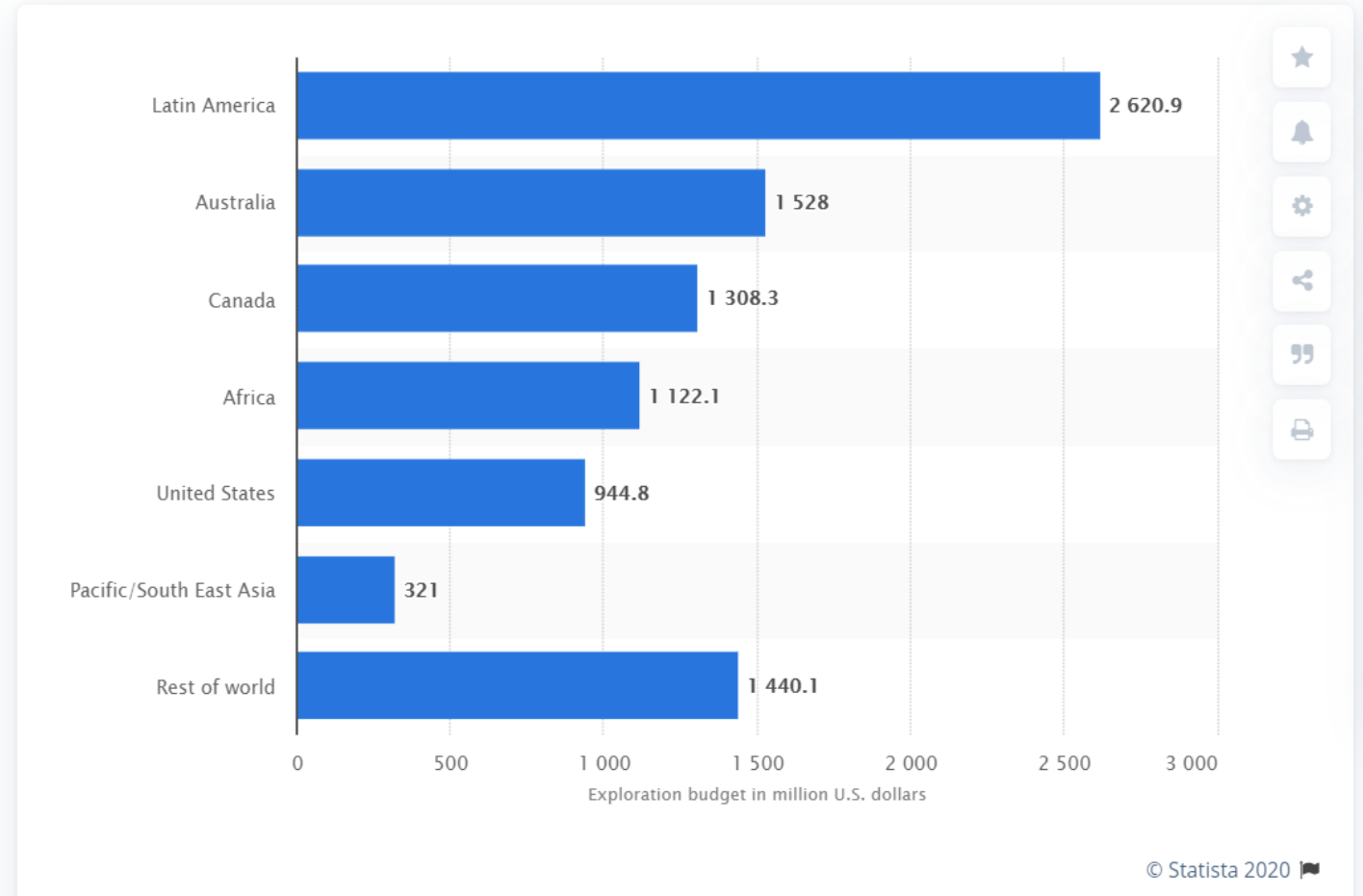
- Stakeholder map of minerals development space in ASEAN
- Prospectivity and mineralisation potential of ASEAN
- Ranking of the mineral potentials and deposits and benchmarking them against world sizes
- Research on successful regional cooperation in minerals development that may be relevant to the ASEAN context
- Cross border minerals potentials and cooperation
- Areas of highest potential for regional cooperation in minerals



RECOMMENDATIONS & EXPECTED OUTPUTS

Mining Exploration Spending Worldwide in 2019 by Region

Mining exploration spending worldwide in 2019 by region
(in million U.S. dollars)



RECOMMENDATIONS & EXPECTED OUTPUTS

Mining and Mineral Production

- Best practices on handling low-grade ore stockpile, waste dump and tailing storage facility
- Best practices in erosion and sediment control, water quality and mine rehabilitation
- Sharing of common infrastructure facilities (roads, railways, power stations, ore stockpile, warehouses and port facilities) and shipping
- Harmonizing standards, guidelines and best practices on sustainability and mining code of conduct



Mineral-based value-adding

- Establishment of regional processing and blending facilities for optimal extraction of various grades of ore
- Establishment of regional value-added mineral-based production facilities such as for ferroalloys, alumina and rare earth metals and alloys

Fiscal Regime

- Harmonization of policies on mineral taxation and land rents
- Recommendation for adoption of policies relating to mineral taxation and fiscal regime adopted in certain AMS or other countries which have been successful in promoting mineral resource development and attracting mineral investments



Legislative Framework and Policy

- Harmonization of mineral laws and policies to attract mineral investments
- Recommendation for adoption of policies and legislative frameworks adopted in certain AMS or other countries which have been successful in promoting mineral resource development

RECOMMENDATIONS & EXPECTED OUTPUTS

Trade in Minerals

- Lowering of import tariffs or special tariffs among AMS
- Improvements in ports, shipping, logistics, warehousing and distributions among AMS
- Elimination of non-tariff trade barriers on minerals among AMS



Sustainability and Capacity Building

- Benchmarking sustainability against world standards
- Cooperation and sharing of training facilities and programmes



Connectivity and Networking

- Organising of regional and international knowledge-sharing events on minerals in AMS
- Hosting of public and private sector dialogues on specific issues on minerals development
- Participation in international conferences and exhibitions, especially in major mineral producing countries such as Australia and Canada
- Formation of Focus Groups to discuss on specific issues

RECOMMENDATIONS & EXPECTED OUTPUTS

Investment and Capital Raising

- Preparation of an ASEAN mining and minerals investment guide
- Promoting ASEAN minerals potentials in major fund raising capitals in Australia, Canada, China, Hong Kong and Singapore



RECOMMENDATIONS & EXPECTED OUTPUTS

Enhancing AMDIS and its usefulness

- Identifying and addressing current AMDIS's structural weaknesses
- Improving data input from participating countries
- Allowing greater accessibility and sharing of data and information in AMDIS, especially for the purpose of promoting mineral investment in AMS
- Reviewing sustainability of AMDIS in the long term



THANK YOU



Stay Home Stay Safe

Webinar on the 8th Private Sector Forum on Cooperation in Minerals in ASEAN 2020, 17 November 2020

