

ASEAN's Economic Resilience: Navigating Global Shocks, Digitalization, and

ASEAN Economy · Answer Key · 10 Questions

1. How is ASEAN's strategic diversification of partnerships impacting its economic growth trajectory amidst global fragmentation?

- A) ASEAN's economic growth is projected to significantly lag behind the US and EU due to increased geopolitical hedging.
- B) ASEAN's trade with China, the US, and the EU has remained stagnant, reflecting a cautious approach to partnerships.
- C) ASEAN is projected to grow by 4.6% in 2024, outpacing the US and EU, due to deliberate diversification and leveraging multiple partnerships.**
- D) The region's digital economy is expected to contract as focus shifts away from technological integration.

2. What is the primary challenge posed by Carbon Border Adjustment Mechanisms (CBAMs), such as those imposed by the EU, to ASEAN exporters?

- A) CBAMs are expected to boost ASEAN's competitiveness by incentivizing a rapid shift to renewable energy.
- B) ASEAN exporters reliant on fossil fuels risk being penalized by CBAMs due to fragmented decarbonization policies and a lack of harmonized carbon accounting.**
- C) CBAMs primarily affect the tourism sector, increasing travel costs for European tourists visiting ASEAN.
- D) The EU has already phased out CBAMs, making them irrelevant to ASEAN's export economy.

3. Which of the following is a key initiative slated for conclusion by 2025 under Malaysia's ASEAN Chairmanship, aimed at harmonizing digital trade rules across the region?

- A) The ASEAN Digital Economy Framework Agreement (DEFA)**
- B) The Regional Comprehensive Economic Partnership (RCEP) Digital Annex
- C) The ASEAN-China Free Trade Area (ACFTA) 3.0 Digital Chapter
- D) The Global Digital Trade Initiative (GDTI)

4. In the context of global supply chain restructuring, what is the 'China +1' strategy and how has it benefited ASEAN economies?

- A) It involves concentrating all manufacturing in China to leverage economies of scale, leading to increased demand for ASEAN raw materials.
- B) It is a strategy by China to increase its exports to ASEAN, thereby reducing the need for diversification.
- C) Companies are diversifying operations outside of China to reduce dependence, making ASEAN an attractive alternative due to its proximity, trade agreements, and competitive labor markets.**
- D) This strategy focuses on developing digital infrastructure within China, with limited impact on physical supply chains in ASEAN.

5. The ASEAN+3 Macroeconomic Research Office (AMRO) identifies a four-stage impact chain of escalating Middle East tensions on Asian economies. What is the correct sequence of these stages?

- A) Rising energy costs, downstream production pressures, increases in intermediate industrial inputs, higher prices for services and food.
- B) Increases in intermediate industrial inputs, rising energy costs, downstream production pressures, higher prices for services and food.
- C) Higher prices for services and food, downstream production pressures, increases in intermediate industrial inputs, rising energy costs.
- D) Rising energy costs, increases in intermediate industrial inputs, downstream production pressures, higher prices for services and food.**

6. According to the International Renewable Energy Agency (IRENA), what is the projected gap between ASEAN's renewable energy target for 2025 and the sufficiency of current policies?

- A) ASEAN is on track to exceed its 2025 renewable energy target by a significant margin.
- B) Current policies are projected to reach just under 17% of primary energy from renewables, leaving a crucial six-percentage-point gap to the 23% target.**
- C) The gap is negligible, as current policies already ensure 22% renewable energy by 2025.
- D) IRENA's report indicates that ASEAN has already achieved its 2025 renewable energy target.

7. What key development is anticipated in the ASEAN Power Grid (APG) initiative by October 2025, as discussed during the Energy Transition Meeting in ASEAN?

A) The full operationalization of a unified ASEAN electricity market with standardized pricing.

B) An enhanced Memorandum of Understanding (MOU) for the APG project, aimed at facilitating multilateral power trading.

C) The complete phase-out of fossil fuels in all ASEAN member states' electricity generation.

D) The establishment of an independent ASEAN energy regulatory body to oversee all power generation.

8. Which factor is identified as a significant contributor to the projected slowdown in global growth to 2.9% in 2026 by the OECD, and how does this relate to ASEAN+3 economies?

A) A surge in global tourism, leading to increased demand for resources and services.

B) Escalating tensions in the Middle East, leading to disruptions in logistics, supply chains, and tightening financial conditions.

C) A widespread adoption of artificial intelligence, increasing productivity and economic output across all sectors.

D) The successful implementation of all major climate change mitigation strategies, reducing industrial output.

9. How do the holiday calendars in Southeast Asia, characterized by diverse religious and cultural traditions, fundamentally impact businesses operating in the region?

A) They create synchronized downtime across all countries, simplifying operational planning.

B) They lead to predictable and uniform impacts on supply chains, labor availability, and cash flow across all ASEAN nations.

C) They cause uneven operational downtime risks and require extended planning horizons for fundamental operational decisions and logistics.

D) Holiday calendars in Southeast Asia have minimal impact on businesses due to the dominance of global holidays like Christmas and New Year.

10. What is a critical challenge for ASEAN economies in the context of global trade agreements and potential protectionism, as noted by ASEC?

A) The region faces risks from growing international protectionism, domestic fiscal tightening, and currency depreciations.

B) ASEAN's trade agreements are too restrictive, preventing sufficient cross-border investment flows.

C) Global commodity supply networks are overly resilient, leaving no room for contingency against potential shocks.

D) The primary challenge is a lack of interest from dialogue partners in strengthening economic ties with ASEAN.